GOVERNMENT REDESIGN AND IOWA

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State of Iowa
Business Process Redesign Initiative

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Background

In early 2001, the State of Iowa undertook two efforts – 100% E Digital Government and government improvement and redesign through the Enterprise Planning Teams – that focused on making the delivery of services to Iowans more streamlined and cost-effective. To assist departments in implementing these efforts, the State sought to provide them with tools to analyze and modify current service delivery systems. Business Process Redesign (BPR) is one tool that provides a systematic analysis of the business processes that support the delivery of government services to Iowans.

Through a partnership with Harvard University's John F. Kennedy School of Government and School of Business, the State of Iowa, led by the Information Technology Department (ITD) and the Department of Management (DOM), developed a six-step BPR approach to analyzing and redesigning government processes. The idea was to create a process appropriate for Iowa, and this six-step process became known as the "Iowa Method."

On July 30-31, 2001, the Governor's Office, ITD, and DOM co-sponsored the Government Redesign in Iowa Conference. Nearly 200 department directors, senior staff, and other key employees were introduced to BPR concepts and The Iowa Method. Following the conference, several 100% E and government redesign projects were selected to participate in a pilot of the Iowa Method. Initially, eight projects were included in this pilot; however, time and resource limitations made it difficult for some of the project teams to complete a business process review and develop a redesign proposal within the allotted timeframe.

Utilizing the Iowa Method, five BPR teams completed a review of their service delivery systems and developed proposals for redesigning business processes to better deliver those services to customers. The five BPR teams included:

- Common Intake
- E Procurement
- Income Maintenance/PROMISE JOBS
- Licensing
- Veterans Home – Resident Records Redesign

Through each step of the redesign process, BPR team members were provided with technical assistance through weekly conference calls with Dr. Mechling and the use of QuickPlace – an online project management tool – that enabled BPR team members to communicate with the BPR experts and each other. The effort also incorporated relevant supporting materials, such as "Redesigning Enterprise Processes for e-Business" by noted expert Omar A. El Sawy, to provide greater insight into redesign efforts. The culmination of this effort was the development of proposals to redesign five services provided by the State, which are included in this report.

The work of the BPR teams provided ITD and DOM with a realistic perspective on the value and practicality of applying the Iowa Method to business process redesign efforts throughout state government. While the teams felt the overall Iowa Method can be beneficial for future BPR efforts, they agreed that some aspects of the process could be improved or clarified. A summary of lessons learned is included in the following section of this report.

BPR teams and Dr. Mechling will share their experiences and lessons learned with key State employees at the Government Redesign and Iowa Follow-Up Seminar to be held February 15.

It should be noted that each BPR team expended considerable time and effort on the development of their proposals while also carrying out their normal day-to-day responsibilities, and they should be commended for their work.

Summary of Lessons Learned

Participants in the pilot effort generally agreed that the Iowa Method can be beneficial to state business process redesign efforts. BPR team members identified several positive aspects of the process that, in some cases, were unanticipated.

The step-by-step approach of the Iowa Method gave BPR team members the opportunity to more fully map out and understand the business process supporting the service they deliver. In many cases this provided them with a better appreciation for the roles each individual fills. Some projects also brought together members of different departments who had not interacted with each other prior to this effort, and by doing so provided them with an understanding of how some services, while carried out by more than one department, can be more effectively delivered through their cooperative efforts.

In a time of budget reductions and government reorganization, the Iowa Method provides departments with a systematic approach to delivering services more efficiently. The Iowa Method can help state government focus on each element of identifying, analyzing, and developing alternative approaches to service delivery. When appropriately applied, each phase of the process – defining the project, reviewing best practices, identifying cost reductions, conducting a customer analysis, and examining impacts on stakeholders – assists in the development of a realistic redesign proposal.

While participants agreed that the overall approach of the Iowa Method and the corresponding weekly assignments can be beneficial to State agencies, team members and project consultants identified some modifications to enhance the value of the Iowa Method in future efforts.

July 30-31 Conference

- To provide the most benefit to conference participants, BPR teams and projects would have been selected prior to the conference. This would have enabled conference organizers to better define the needs and tasks to be accomplished on the second day by each of the teams, and also would have provided participants with a more useful exercise to understand the fundamentals of BPR.
- The six assignments of the Iowa Method would have been as well defined at the conference as they are today. Although the basics of the model were introduced at the conference, a more thoroughly defined model would have been valuable for participants and would have lessened confusion.

Schedule and Consultants/Facilitators

- While best efforts were made to stay within the projected timeframe, it was difficult to remain current and timely as the project schedule was pushed back into a time period when the consultants had other commitments.
- Ideally, on-site (in-state) Iowa consultants and facilitators would have been more engaged in each of the projects and less reliance would have been placed on feedback from the external (out-of-state) consultants. External consultants could have acted as advisors to the Iowa-based consultants/ facilitators. While the original design was implemented as proposed, it might have been possible to change the structure of the consulting arrangement in mid-stream.
- When available, the support of the consultant assistants were not of desired quality or substance. The adjusted timeframe contributed to this, as their availability during the effort decreased due to previous commitments. The decision to shift reliance to the primary consultant was correct even though response times may have been affected as a result of placing all responsibilities for review on the primary consultant.

Projects and Project Teams

- As each project team began the BPR process during different phases of development, efforts to fit each of these projects into the same timeframe to meet legislative and budget deadlines was not practical. Although the Iowa Method was developed as an educational model, the practical reality was that each team needed to follow its own timeline. This does not mean that deadlines should not have been imposed; rather, each team or project may not have needed to have the same deadline. While acknowledging the unique circumstances of individual BPR teams, it must be recognized that the Iowa Method relies largely on the assistance and support of outside facilitation by redesign experts. Applying these outside resources to a group of BPR teams rather than to individual teams can be more valuable overall and can provide an encouraging atmosphere among all teams to remain on task throughout the process. Ultimately, the success of future redesign efforts utilizing the Iowa Method must strike a balance between the competing interests of individual schedules and developing quality redesign proposals.
- Initially, the Iowa Method anticipated that each team would submit a outline or rough draft version of their proposals for review by the consultants. After input was received from the consultants, teams would finalize their proposals and submit them to ITD and DOM. Upon reflection, teams would have been benefitted more through increased review and input during the final drafing phase.

General Observations

- Greater enterprise-level or department director level leadership, support, and "championing" of redesign proposals will be critical to the success of future BPR efforts. Knowing that support for their efforts exist at decision-making levels of state government can help motivate BPR teams and reassure them that their proposals will be seriously considered for implementation.
- Future use of the Iowa Method by state departments should allow for more flexibility for project teams that may have a pre-defined task. Following the six steps in order may not always make sense; however, all projects should still align with and produce work products that address the key elements of the Iowa Method.
- While not a factor that could have been altered, the timing of the process coinciding with budget reductions and, in some cases, major organizational changes impeded the project teams.

The Iowa Method

The Iowa Method was developed for the State of Iowa in collaboration with business process redesign experts from Harvard University's John F. Kennedy School of Government and School of Business, and provides a six-step framework for redesigning government services. These six steps are defined below and additional information on each step has been included in the weekly assignments that follow.

Step 1: ***Preliminary process definition & scoping: major steps, options, guesstimates on cost, value, implementation, and strategic impacts, early search for needed sources of information***

This involves outlining the basic functions of a process or proposed project, examining the volume of customers, staff, hand-offs, transaction volume, equipment and hypothesizing what functions and resources should or could be changed in order to improve service, efficiency or productivity. Customer feedback results, employee input, and recent planning/budgeting documents are good resources in gathering "starting block" information.

Step 2: ***Best practice and benchmarking***

In adding to the information base, secondary research on what other departments and organizations are doing - inside and outside of Iowa - can be helpful. A scan of Web sites is one tool, but well-placed phone calls to colleagues, known leaders in a field, perhaps a mail questionnaire, trade and industry publications and other vehicles can also be good sources for comparative best practices.

Step 3: ***Cost reduction analysis – especially looking for help from services that can be cut or offered on a self-service and/or remote basis***

As the research and basic business model take shape, a critical examination of specific services that can be scaled back, redesigned to be less resource or labor intensive, or eliminated altogether should be undertaken. Focus on rules, layers or administrative mazes that may obfuscate the true value—or lack thereof, of a particular offering.

Step 4: ***Customer service analysis – specifically including costs to citizens as well as government***

Take a critical look at how the theoretical new business model will impact customers. Can a cost decrease to customers (or to the department) be shown while maintaining or even improving service levels? This means not just cash or other liquid costs, but all areas that constitute a resource expenditure: time/distance, people, materials and infrastructure. Or can service levels be improved…and hence productivity…within the current cost structure by deploying new assets or reconfiguring existing resources (or a combination of both)?

Step 5: ***Transitional analysis and strategic fit analysis***

At this point the new day-to-day business model makes sense. Processes are streamlined and efficient. All resources are fully deployed and producing optimal return. Customer service projections show strong performance levels that meet or exceed expectations.

Two key questions remain before the first draft can be completed:

- What will it take to make the transition? Depending on the components of the project, the answer must factor in new system installation time, training and testing, staffing/ management/organization transitions, budgeting and financial schedules, and related adjustments.

- How does the project impact long-term objectives and how does it fit with the larger mission of the department, division or State government?

Certainly both of these questions, to some degree, have likely been inherent in the planning process from the beginning. But now is the time to take a more comprehensive, definitive look at these two important variables.

Step 6: ***First draft proposals followed by feedback and final proposal***

A first draft proposal can now be completed. Once completed, the proposal should be shared with and reviewed by appropriate department staff. No single plan in its first draft can satisfy all interlocking business processes or political variables and breeze through the review process untouched. But these steps should be used as the proposal is edited and revised.

Week 1 Assignment

Project Scoping

Scope your project on a preliminary basis. Summarize what you think at this point you may know and what you think at this point you may need to gather for evidence and to expand your knowledge. More specifically:

1. **Describe the process that will be redesigned**. Consider the name of the service or process, the categories of people inside or outside the government who interact to produce or deliver value through this process, the categories of other stakeholders. What is a "unit" of service for this process and how might it be described and/or measured? What are the major steps (7 or so) that could be used to specify the process at a very general level?

2. **Draw at least 3 different "boundaries" for the process.** What would be a larger-scale way to define the process you described above? If you are looking at eligibility for a service, could it be consolidated eligibility for multiple services? Or could it be broader customer service for the original service? Explore "bigger" and "smaller" ways to define the problem.

3. **Describe the context from which this problem/opportunity for redesign emerges.** Other services produced by similar workers or agencies? Other services for similar clients? Significant problems or opportunities that demand change (e.g., options for self-service, etc.)?

4. **Provide "guesstimates" of some key impacts of redesign.** Cost reduction potential (how might you describe and measure this)? Service improvement potential (how might you describe and measure this)? Implementation feasibility potential (how might you describe and measure this)?

5. **Summarize your understanding of "the problem" at this point.** Do you have a working understanding of the process to be redesigned, the impacts that will be important, a range of options that may become relevant, and some sources of information to gather?

6. **Post your "Scope" document—using these guidelines—on the *QuickPlace* electronic forum.** There it can be reviewed by other teams plus Dr. Mechling and project consultants.

Week 2 Assignment

Best Practices/Benchmarking

Last week as individuals we produced preliminary definitions and descriptions of scope for our various projects. This week we will continue to discuss and process these definitions as we also turn to an explicit effort to look "out there" for ideas that may be applicable to our business process redesign work.

Assignment

1. **Read El Sawy, Chapter 3**. This chapter describes 11 generic best practices or what El Sawy calls "principles" in process redesign. Think about the application of each of these principles to your redesign project. To what extent have these principles ALREADY been applied? To what extent might they add value if they were fully applied? Where, in Iowa or elsewhere, could you find information about how each principle might be applied?
2. **Potential benchmarking sources**. Given your process redesign target, what specific organization or set of "best practices" offers an example for analysis and comparison that is very close to your own? Please identify a "close in" or "far out" target for comparison (possibly a similar government organization along with a world-class institution doing something similar but in a private sector or quite different environment). Who could you talk to and/or what could you read to learn about what they are doing and how it differs from what you are currently doing in Iowa?
3. With your personal answers to the above questions in mind, **communicate via QuickPlace with your team members to discuss**:
   - The 2 or 3 El Sawy "principles" likely to add the most value to your process redesign work
   - The 2 or 3 institutions most likely to be worthwhile as benchmarking targets
   - The 4-8 people most valuable to talk to and the 4-8 sources of written material most relevant as sources of best practice ideas and benchmarking.

Supplemental resources

See the General Accounting Office, Best Practices Methodology, 1995.
http://www.c3i.osd.mil/bpr/bprcd/3209.htm

The above is part of a rather extensive online library assembled by the Department of Defense for business process redesign work.

Week 3 Assignment

Cost Reduction – Part I

So far we have defined the scope of our problems and looked for ideas "out there" to use for benchmarking and analysis. For the next two weeks we will focus on an issue of obvious importance in Iowa: How and by how much can we reduce the costs of government through work process redesign?

For week 3 we will focus on identifying the costs of the work processes currently in place in Iowa (the "baseline" costs) and on clarifying the options for cost reduction. Next week we will turn to estimating the degree to which each of our options might result in cost reductions.

Assignment

1. **Read/skim:** http://www.c3i.osd.mil/bpr/bprcd/0201.htm. This cost analysis manual suggests more detail than you will likely be able to complete this week (go ahead, surprise us. . .). This framework is valuable, however, and may be directly useful if you need greater accuracy in estimating costs later in order to confidently prioritize your options for reform.

2. **Overall cost estimates**. Produce an overall estimate of the annual governmental and total social costs of your process and also of the costs per unit. Government costs can be estimated through budget figures for the units of government that perform the process, allocating the portion of budgeted costs to the process that seems reasonable to you (or to a series of experienced observers) or using other evidence such as more formal cost studies like those described in the reading above. Remember that your estimates need NOT be precise. What is important is not the baseline costs (estimated this week), but the reductions in cost achievable through various options and their priority (to be estimated and analyzed next week).

What are your initial estimates including a range that would stand an 80% change of capturing the true figures for: a) the annual costs to Iowa government for the process? b) the annual costs to the entire society for the process (Iowa government plus all others)? c) the unit costs to government and total society for the process? For example, the annual costs to Iowa for a process might be a figure such as "$10.5 million +/- $800,000."

3. **Step-by-step cost estimates**. Now break the process into a series of steps (roughly 5) and produce estimates and ranges that would have an 80% chance of capturing the true annual and unit costs. Do this on a step by step basis and then aggregate for the overall costs.

4. **Reconciled estimates and plan for error reduction**. If the two estimates above – overall vs the aggregate of the step by step figures – are different, why are they different and which do you think is closer to the truth? What could you do – specifically – to reduce the errors in your estimates? Approximately how long would it take and approximately how much would it cost to produce estimates that would be just as likely to be correct but would have an error range of only half that of your current estimates? (For the example above of "$10.5 million +/- $800,000," this

would require an estimate with an error range of $400,000 that would still include the true figure 80% of the time.)

5. **Brainstormed cost reduction options list**. Now, looking hard at the process, its steps, and their costs, create as long a list as you quickly can create of possibilities for cost reduction. Be creative rather than critical at this point. Do the El Sawy principles help? Have you added anything by this point to your cost reduction possibilities that you didn't already produce during the first week of our study?

6. **Simplified "cost reduction" options list**. Looking back over the above, select those options that will be worthy of more detailed analysis next week. You may want five or so, maybe even more. These should include some options that appear relatively feasible and others that may appear less feasible but promise larger savings.

During our weekly meeting we will poll the teams to discuss baseline costs and the lists of cost reduction options that they propose to evaluate. The evaluation work will come next week.

Supplemental resources:

Robin Cooper and Robert S. Kaplan, "Measure Costs Right: Make the Right Decisions," Harvard Business Review, Sep/Oct 88. Review

El Sawy Chapters 4-5. For those of you that want to get into the modeling tools offered by the El Sawy book, this would be a good time to get started.

Week 4 Assignment

Cost Reduction – Part II

Last week you worked on clarifying baseline costs and cost reduction options. This week you need to estimate to the best extent possible the cost impacts of those options.

Assignment

1. Confirm your simplified cost reduction options list. Part of your thinking last week was to identify the ideas for cost reduction that would merit more detailed analysis. Did you include self-service options? Options for efficiencies through greater standardization and scale of operation? Options for reducing the annual government budget through longer-term financing and/or other than tax-levy revenues? Continue with your analysis when you have confirmed the list of options you need to analyze.

2. Estimate the long-term cost reduction potential of each of your options. You will need estimates for the annual cost to government and society at large. These can be obtained in the same way you did the baseline estimates. However, for most of you it may be easier to make adjustments to the baseline estimates as a ballpark for savings potential. In percentage terms, what portion of unit costs and annual costs might be saved?

3. Estimate the required costs of implementing your options. To get from the present operating process to the new ones, what will be required and what will it cost? This will typically require costs for designing new processes, for training personnel in new processes, and for hardware and software that may be needed for IT-enabled processes. Some of the costs will involve diverting existing personnel and resources from other tasks while other costs will involve out of pocket expenditures for externally purchased resources. While precision in all estimates is nice to have, what is essential is how the various options compare to each other.

4. Compare the implementation costs to the long-term savings. This can be done through looking at the payback period – how long it will take to pay back the near-term investment. It can also be done through applying a discount rate to costs and savings that happen in different periods of time for a classic "net present value" calculation. Again, precision is not as important as whether or not your estimates can accurately be used to compare options.

Prioritize the options according to their cost impacts. Remember that the distribution of costs to various groups such as clients, taxpayers, and the government may be important in developing priorities. If costs were the only value at stake, what would your recommendation be at this point in the analysis?

Week 5 Assignment

Customer Analysis

In recent weeks we have worked to identify and analyze opportunities for cost reduction. This week we look to identify and analyze opportunities for better customer service. How can our projects add value through and/or for the people we interact with outside the government?

Assignment:

1. Who are your "customers?" In the private sector, customers are the people who buy (and typically use) your product or service. The customer is the person who decides whether the purchase is "worth it." Since purchasing decisions are obviously critical for the business, private organizations tend to invest serious resources in understanding what creates value for customers and how customers see things.

In government, the situation is more complex. The people who pay are often not the people who benefit, and the people who benefit may not be the people the government interacts with directly. Thus regulatory services such as environmental protection may benefit the general public and are receive funding from taxpayers, but require interactions with potential polluters.

In government, it is important to identify the people the program interacts with and the motivations those people may have to do their part of the "service dance." It may also be important to identify other parties with a stake in what the agency does. These may include people involved in funding decisions or people whose interests are protected through regulations. Please generate a short list of your customers.

2. What value will customers see in the options you have generated so far? Estimate a ranked preference order for the options that you are presently evaluating. Why did you rank them in this order? How confident are you that this is the ranking your customers would use? How much do customers care about access, integration, cost, etc.?

What additional information and evidence would be helpful in assessing customer perceptions? Sources such as focus groups, surveys, and talking with customer representatives can be helpful. Frontline workers often have quite valuable insights as to customer needs and desires. If you had more time and resources to understand value as perceived by customers, what would you do, how long would it take, and how much would it cost?

3. What new options should be evaluated to take advantage of your understanding of customer needs and perceptions? What opportunities are suggested by your analysis of customer needs? Opportunities for better access? For better service integration? For self-service?

4. Now go back to prioritize your complete list of options according to their aggregate impacts on customer service AND cost reduction. Is this list importantly different from

prioritization according to cost reduction alone? What are the most important tradeoffs to be considered between cost and value to customers?

Resources: Much work has been done about customer analysis, including the work of the Iowa ITD. Good luck!

Week 6 Assignment

Strategic and Transitional Analysis

Now that we have delved into the cost and customer analysis dimensions of our work, we turn this week to impacts on agency strategies and on implementation plans.

Assignment:

1. Strategic fit and shift analysis. Summarize your agency's "strategic stance" prior to implementing any options you have been considering. What is your "value proposition": – i.e., what sort of capacities are you using to produce what sort of value for the public under what sort of political authorization and support? With this as a context, what changes, if any, will your options imply for your capacity-value-support strategy? Will your preferred option represent an incremental change or a major shift?

Given this strategic or "big picture" view, should any refinements be considered to your options? Will you be doing anything different (or differently) because you have looked at the problem from this strategic perspective?

2. Transitional forces on stakeholders. Using a grid, list stakeholder groups as rows and the options your are considering as columns. Within each cell, summarize the forces that lead that group to support or resist that option. Summarize your results as a number from –3 to +3, with negative numbers representing net resistance and positive numbers net support. For each group then list the few critical actions that you should take during implementation to give that option its best chance for success.

3. Rough implementation plans. In light of the above stakeholder positions, draft a simple implementation plan for at least your top three options that would capture the handful of most important implementation steps. Include a description of what is to be done, a rough estimate of the resources/budget required, the time it would take, and the position or person who should have lead responsibility for that step.

Having reviewed transitional forces and implementation plans, should you consider any new options or other changes in your analysis?

* * *

This completes the analytic exercises of the "Iowa method." From here you will need to present your analysis within the format of the proposal table of contents described a few weeks ago. Good luck!!!

State of Iowa

Business Process Redesign Proposal

Common Intake

Steve Mosena, Department of Human Services

Steve Nicoll, Division of Vocational Rehabilitation

Judy Peters, Iowa Workforce Development

Randy Clemenson, Information Technology Department

Dan Combs, Information Technology Department

Ron Johnson, Information Technology Department

November 15, 2001

Context

Iowans should be able to easily access government services using web enabled technology. The same technology should be brought to bear whether they are accessing services using self-service through the web, phone contact with a state employee, or in person at a brick and mortar government facility. Once a citizen securely establishes their identify with the government, they should be able to use that secure ID throughout government.

For several years, agencies within the State of Iowa have been developing and maintaining systems that provided excellent repositories for the management of data. As new state and federal programs have come into existence, new computer systems have been developed to maintain information that supports the programs and services delivered to clients. The mindset in developing these legacy systems was to develop them to efficiently and effectively maintain whatever data was necessary in a format and capacity that was agreed upon by the agency, division within an agency, policy unit within an agency, federal and state regulations, and so on. As a result, systems were being developed as stand-alone systems with a specific purpose, for a specific group of clients, with a specific need for providing service.

As the demand for the automation of these programs and services has grown, so has the number of systems that store client information that is nearly identical from one system to the next. In the 1970's and 1980's, when many of the mainframe systems were coming online, the thought wasn't to share data with other agencies, but to determine how we, being an agency, can maintain the

data that we need in the database that will best meet the requirements to store and administer our own data.

Many new services and programs have been created over the course of the past 20+ years. As a result, prospective clients have many different services they can benefit from that, in many cases, are provided by more than one agency. Certainly, the advantage is that clients have many different services available from which to choose. The disadvantage is that when clients want to apply for more than one service, they are inconvenienced by filling out redundant information each time they apply for a specific service. In addition, the prospective client is inconvenienced by having to travel from office-to-office in order to apply for needed services.

In today's economy of providing efficient and effective customer service, clients don't want to be inconvenienced by filling out multiple forms and traveling between multiple destinations to apply for State services. The high-level approach to common intake is to remove the perception that applying for State services is a hassle and that it takes too much time to complete forms and get a response in return from a State worker.

PKI must be used, in this common intake process, as a tool to help the citizens recognize that State Government is one organization that provides many services and that by establishing a unique and secure authentication, the services can be provided without re-authenticating with each agency. This promotes the common bond between organizations when a user identified as a specific individual enters another department, electronically. These specific demographic elements are absolute and mark the starting point for the electronic delivery of government services. Applying for services can be done at a single location that provides first of all, convenience for the client and second, prompt turnaround time on the State's behalf.

Convenience for Client

To accomplish this, the approach of establishing a statewide common intake process must enable current clients and prospective clients the ability to apply for new services or inquire about existing services at their convenience. Common intake must allow a client to access any State services via the internet, phone contact, or as is so often done, with an office visit.

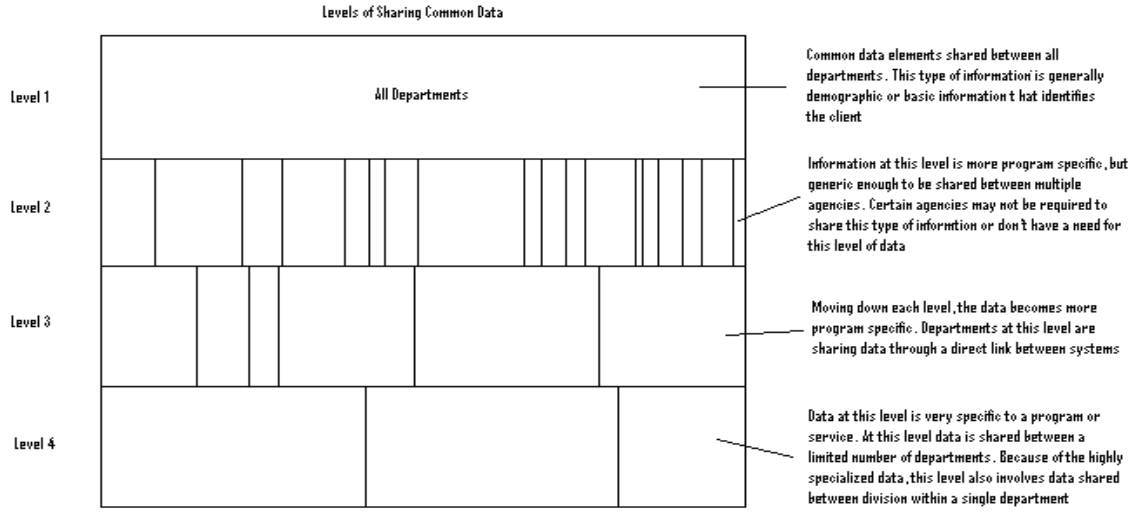
In regards to a client's initial office visit when wanting to apply for services, a major paradigm shift for State government is to enable the client to provide demographic/identification type information (name, address, city, state, zip, etc.) only one time. In addition, the client should be given the option of applying for any type of State service during the same office visit. The same holds true for application for services online or via the telephone.

In order to have a successful common intake process, the State must provide the client with a self-service, one-stop shop or portal where services that are needed can be applied for and demographic information is provided by the client only one time during the same visit. The end result is to provide clients easy access to services, improvements in delivering services, and a timely response to the needs of our clients.

State's Responsibility

Building a common intake process will require agreement amongst all agencies. The agreement must involve the removal of barriers that cause agencies to be protective of their data to the point that data sharing is seen as an obstacle instead of an opportunity. With respect to the current budget shortfall, the opportunity resulting from a common intake is being able to minimize costs associated with the management of client information.

Agencies must live by federal standards that in some situations may prohibit them from sharing data or identifying themselves as contributing certain data to a common intake repository. Further research by participating agencies will need to be conducted to ensure what type and how much information can be shared between agencies and programs within an agency. Agencies must also work together to understand the data elements that are common and come to agreement on the more technical aspects like field sizing, unique client identifiers, and naming conventions. In addition, further definition must be developed that defines how data is updated to a common repository, who owns the data and a verification process that ensures the data is current and accurate. This must all be done without compromising federal standards specific to each program and each agency.



The diagram above identifies a high-level view of how information similar between departments and divisions would be shared based on a common intake approach. Each box represents a department and/or a division within a department.

At the highest level, all departments would essentially share the same data elements. This common set of data is primarily demographic and descriptive type information. Clients would provide this information one time after which a State verification process must occur to validate

the information. Upon completion of the data verification process a unique identifier would automatically be assigned to the client. Ideally, this unique identifier could be an encrypted public key that is digitally generated using the State's Public Key Infrastructure (PKI) solution. Once the key is assigned and the common data is stored in the common intake repository, all departments would have the ability to access the information directly on-line.

As part of the receiving and verification of data, an additional process could be built into the common intake process that would notify an agency or agencies that a client is wanting to move further into the application process.

Moving down the levels in the diagram, data becomes more specific to programs and services. Information shared at the second level continues to be relatively generic, but is not as common to all agencies. Agencies may be so specialized at the second and third levels that they do not have a need to utilize the common intake repository other than for accessing common information (level 1).

The bottom level illustrates that data shared at this particular level is very program, service, *and* department specific. Sharing of Data at levels 3 and 4 moves away from utilizing the common intake repository toward more of an on-line sharing of data between systems managed by departments or systems within a single department.

Options

1. Do nothing – It may be most cost beneficial in total costs to leave the current systems as they are. This includes both direct costs (e.g. State personnel) and indirect costs (Citizen time).
2. Address this issue departmentally, not as an enterprise – Each Department is tasked with unique service requirements. DHS provides Human Services, DOT manages transportation issues. Due to this, there may be opportunity to streamline access within a Department which will generate cost savings and provide web-based access.
3. Establish an Enterprise approach where all government services are supported by one information system.
4. Establish an Enterprise approach which promotes integration at all levels (from bureaus within a department to across department boundaries) which enables integration where cost beneficial and leaves other systems as stand-alone where business rules dictate.

Analysis

The first option may be required due to lack of funds in the short term. However, both empirical and direct cost analysis show option 1 above will not achieve e-commerce goals for the State. As the systems become more complex with additional rule changes, maintaining the mainframe programs will continue to become more difficult and more expensive.

Option 2 is very viable in both cost reduction terms and accessibility issues. However, this approach maintains the status quo in terms of stove-piping within State government. Sharing of

data is not made easier and each department will continue to duplicate storage requirements for similar data elements. Crossing department boundaries is not addressed with this approach.

Option 3 is viable, however, unworkable. Services are compartmentalized for many valid reasons. Data which is readily usable by one agency is, by statute, not sharable to other agencies. Ensuring this privacy issue adds a level of complexity which is not needed to meet the stated goals.

Option 4 has many elements which are very beneficial to the State. First, it analyzes data across department boundaries and promotes mutually sharing mutually sharable data elements. Second, it allows departments which have overlapping data requirements not shared by the enterprise the option to combine resources and efforts, promoting efficiency across departmental boundaries while still protecting privacy issues. Third, by default, it establishes option 2 as a by product. Finally, it is easy to model and therefore, provides opportunities at the programming level of mutual support and sharing.

PKI

It needs to be emphasized that PKI is the strategic enabler for this BPR. One of the critical components of obtaining government services or information online is the ability of a Citizen to uniquely AND securely authenticate themselves. This promotes the common bond between organizations that a user identified as the specific individual within one department is the exact same specific individual entering another department, electronically. PKI begins with a few, specifically defined demographic elements. These elements are absolute and mark the starting point for this initiative. It must also be stated, that as an organization is analyzed as part of this initiative, that organization may only have the capability or capacity to share the PKI elements only.

Pilot Project

As part of the Business Process Redesign Data Warehouse Committee, discussions have centered around using the Department of Human Services (DHS) as a pilot for the initial phase of the Common Intake project. DHS has many disparate legacy mainframe systems that are used to manage large amounts of information pertaining to clients and the programs and services provide to their client. A majority of these systems have been around for 15+ years with each storing its own set of demographic information.

DHS provides an excellent example of how demographic information pertaining to a single client is currently being stored and maintained on more than one database. Because a client can be active in more than one program or services, DHS realizes there is a need to improve the way in which data is currently shared among systems internal to the agencies. The DHS also realizes that improvements in current data sharing processes would provide substantial savings in resources required to maintain duplicate information, along with the effort and processes currently used to share data between the mainframe systems. The same scenario also applies to other agencies that have a need to access DHS data.

For the purposes of the pilot project, focusing only on the systems internal to DHS will provide a basis for a more comprehensive approach to common intake as other agencies are brought into

the common intake repository. Establishing first the Common Intake protocol within DHS will lay the groundwork for reaching out to other agencies like the Iowa Workforce Development and the Division of Vocational Rehabilitation Services.

Next Steps

1. Determine core data set. Common set of data elements for customer/clients required by most departments and systems.
2. Develop a enterprise PKI process to provide ID security.
3. Obtain the DOT drivers license file and analyze compared to the DHS master individual file.
4. Compare item 3 above for feasibility and contrast data elements to PKI data requirements.

Conclusion

For the State of Iowa to achieve e-government goals, we must ensure the security of its Citizens ID. With this accomplished (PKI), we must evaluate the opportunity to simplify the access to government services. To do this, we must take advantage of data capture by other State agencies in a mutually beneficial and supportive environment.

As a result, Common Intake must be able to break the barriers and enable agencies within the State of Iowa to cross-departmental boundaries that are both internal and external to each department. More importantly, Common Intake must provide prospective clients with a one-stop shop for services at any State agency office. Clients must be provided with the ability to applying for services at their convenience via the web, phone, or the customary office visit.

Improvements in the cost of delivering services, turnaround time to deliver needed services to clients, and reduction of costs associated with administering current data sharing processes are some of the major goals for implementing a Common Intake process within the State of Iowa.

Income Maintenance/PROMISE JOBS
Self Sufficiency Team

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January 7, 2002

Table of Contents

In this proposal you will find:

Executive Summary

Iowa began planning welfare reform in the late 1980s through a mulit-agency team that exemplified true collaboration and coordination among state agencies. The Departments of Human Services, Human Rights, Employment Services (now Iowa Workforce Development), Economic Development, Education, and Management participated in this process. Iowa's initial welfare reform activities began in 1993, which were used as a model for federal reform in 1996. The reform effort has continued to successfully evolve through the on-going partnership of the Department of Human Services and Iowa Workforce Development.

Iowa is seen as a leader in welfare reform and the U.S. Department of Health and Human Services considers Iowa's welfare reform very successful. More families are working, earnings are up, and families are leaving Family Investment Program (FIP) sooner and staying off longer.

Families on FIP are on many other DHS administered programs and services as well. Many families on FIP have multiple significant barriers that interfere with their ability to be self-supporting. These barriers have to be addressed in concert with work and training activities to provide the stability that will allow families with multiple barriers to become self-sufficient.

Iowa provides work and training services to families receiving FIP through the PROMISE JOBS program. PROMISE JOBS provides employment, post-employment, training and educational activities through the Family Investment Agreement. The Department of Human Services has contracted with the Iowa Workforce Development Department (IWD) since the late 1980's to provide employment and training services to FIP participants through the PROMISE JOBS program. The success of welfare reform in Iowa is a result of that partnership between DHS and IWD.

The overriding goal of welfare reform is to have safe, stable, healthy, and self-sufficient Iowans. The guiding principles are: maximize resources, promote access to services, and continually improve best practices in order to support parents as they achieve their highest potential and care for their families. Iowa should provide services that are easily accessed, delivered timely and that effectively achieve results at a reasonable price.

Welfare reform is and must be a dynamic process that adapts to meet changing needs and priorities. The reform process requires input from all types of stakeholders: policy makers, people needing or receiving services, other service providers, the business community, state agencies and the general public.

The recommendations proposed in this document are the product of the continued partnership between DHS and IWD to provide customers with the best services possible. Because of the long term working relationship between our two agencies, the team was able to quickly take the opportunity that Business Process Redesign presented and reach consensus on a number of policy and process items that will streamline services, increase worker effectiveness and improve program and customer results.

Executive Summary, continued

The recommendations include a number of policy and procedural changes for the PROMISE JOBS program that will streamline customer service, and allow case workers the flexibility they need to provide good services, while eliminating a number of unnecessary administrative steps. We propose to:

- Reduce the number of letters and notices that are required to be sent to FIP recipients, in order to eliminate duplication, and to speed customer services. Families will become engaged in PROMISE JOBS services quicker, or they will quickly realize the consequences of not participating.

- Change the assessment process to focus on participant strengths and barriers, with particular emphasis on substance abuse, domestic violence, learning disabilities and mental health issues. When assessment indicates a barrier exists, the family will be referred to a professional for evaluation, and any recommended treatment will be included in the Family Investment Agreement (FIA).

- Change the structure of PROMISE JOBS so that case workers are able to develop FIA's that move participants towards self-sufficiency in the quickest and most effective way possible. Change procedures to structure participant flow through activities in order to maximize their participation and speed their transition from welfare to work.

- Eliminate unnecessary administrative steps in the LBP process that are causing delays and multiple handoffs. This change will allow case workers to keep participants engaged in employment and training activities, or be able to initiate the LBP in a more timely manner.

- FIAs be signed before FIP is approved. This change will emphasize that FIP is an employment and training program in addition to a cash assistance program. This change will also make families more aware of their responsibility to move themselves towards self-sufficiency by following their FIA steps.

- Develop short-term FIA's instead of long-term, comprehensive self-sufficiency plans that span many years. The longer FIA's are too overwhelming for families and are difficult for workers to develop because of the long-term planning that is involved.

- Resolve barrier issues that limit access to DHS system by IWD staff. Continue development and implementation of the new IT system called "PROMISE JOBS Case", and development of an electronic public assistance application and electronic case files instead of paper.

- To the extent possible, combine multiple FIP and PROMISE JOBS pamphlets into fewer concise and easy to understand pamphlets.

- Reduction in the frequency of FIP eligibility reviews and elimination of the requirement for a face-to-face interview before FIP eligibility can be determined. This allows greater flexibility for case workers to gather information by whatever means they feel necessary in order to help them manage an increasing number of cases.

Analytical Process

Introduction

The information below summarizes the analytical process we used and consists of:

- Scope Analysis
- Income Maintenance(IM)/PROMISE JOBS Process
- Parallel Function Analysis of Current IM/PROMISE JOBS Process

Scope Analysis

We identified the following scope statement along with the comments listed below:

Scope Statement

We will look at means for consolidating IM and PROMISE JOBS functions involved in moving FIP adults to work.

Boundaries

Eligibility for FIP and PROMISE JOBS are currently synonymous. The challenge is looking for consolidation opportunities in delivery.

We considered a broader scope with implications associated with other employment and training programs such as the Work Force Investment Act, which provides similar services as PROMISE JOBS. It is recognized that this project has implications for consolidation with additional programs but it is felt it would be too broad to address within this project at this time.

We agree there are additional "levels" of reform to be considered in this kind of project. In the future, concepts and approaches identified to address the more limited scope stated above may be considered as they relate to broader IM functions.

Units of Service

We identified the following as our units of service:

- FIP application process
- PROMISE JOBS engagement
- Self-Sufficiency Assessment
- Ongoing Service Delivery and Job Performance
- Transitional Supports

Results

We identified the following results related to the impact on our customer focus and the service delivery system:

Customer Focus

- Customers will have improved ability to stay off of FIP once they leave
- Customers will recognize the income support and path to self-sufficiency as a single program
- Reduced confusion
- Improved services to customers
- Quicker customer engagement
- Less lag time

Service Delivery System

- Income support and path to self-sufficiency will be administered as a single program
- Decreased handoffs
- Less cost (with value to the customer)
- Ways for IM and PROMISE JOBS to work more effectively and efficiently (steps to consolidate, places to interject technology, shared communications/data)

Potential Cost Reductions

- Savings within cash assistance (FIP) via quicker engagement that results in increased earnings for the client
- Reduction of duplication associated with data collection and entry
- Better use of resources

Stakeholders

We identified the following internal and external stakeholders:

Internal Stakeholders

Within DHS & IWD:

- Management
- Information Technology staff
- Fiscal staff
- Staff that deliver FIP and PROMISE JOBS

External Stakeholders

- Customer/Client
- Governor's Office
- Legislators
- Interested state agencies
- Welfare Reform Advisory Group
- IWD Board
- DHS Council
- Dept. of Human Rights
- Family Development and Self Sufficiency Program (FaDSS) Council
- Federal Partners
- Employers
- Taxpayers
- Society at Large

IM/PROMISE JOBS Process Analysis

Purpose of IM/PROMISE JOBS Process

The purpose of this process is to:

- Take people with one set of skills and behavior
- Match them with support from the state (income maintenance and job education)
- Deliver the forms of support
- Create a better set of skills and behaviors (ones that require less income maintenance and produce more self-sufficiency) that benefit individuals and the larger society

The Current Process

We identified the following "big picture" process that briefly captures the current interactions between the client, IM and PROMISE JOBS:

Stage	Who Does It	Description of What Happens
1 Entry	Client	Contacts state for cash assistance (FIP) because of a perceived personal need.
2 FIP Application Process	Client & IM	• Determines and documents eligibility through face-to-face interview. • Codes referral to PROMISE JOBS via DHS IT system (IABC) and generates letter to client.
3 PROMISE JOBS Engagement	Client -OR- PROMISE JOBS	Contacts PROMISE JOBS office for appointment. -OR- Sends written notice to client to set up appointment when client does not contact PROMISE JOBS within 10 days.
4 PROMISE JOBS Engagement	PROMISE JOBS	Cancels cash assistance (FIP) benefits when client does not contact PROMISE JOBS within 10 days of PROMISE JOBS sending the written notice.
5 Assessment	PROMISE JOBS & Client	Initiates services (assesses strengths/barriers and identifies goals and needed support).
6 Ongoing Service Delivery/Job Performance	Client, PROMISE JOBS and IM	• Client - Completes Family Investment Agreement (FIA). • PROMISE JOBS - performs self-sufficiency case management for PROMISE JOBS services. • IM – performs financial assessment case management for cash assistance (FIP).
7 Exit	Client	Generates enough self-sufficient income to become ineligible for cash assistance (FIP).
8 Transitional Support	Client/ Employer/ DHS	Processes transitional supports (health insurance, Medicaid, child-care subsidies, and food stamps).

Parallel Function Analysis of Current IM/PROMISE JOBS Process

The following table illustrates the parallel functions that exist between IM and PROMISE JOBS as they each fulfill their roles in the self-sufficiency process. This table illustrates for us how little the IM and PROMISE JOBS functions actually overlap.

Stage	IM Subsistence Need Functions	PROMISE JOBS Employment Development Functions
1 Entry	1. Client submits application to IM via mail or in person. 2. Clerk/IM stamps the application	
2 FIP Application Process	1. searches system 2. completes visual review of application 3. sets up case file w/ set of forms 4. assigns application to IM 5. schedules appointment with client via phone, mail, e-mail or in person 6. sets up electronic case 7. provides pamphlets on verification requirements and other programs 8. turns over case to IM worker IM Worker: 9. Reviews information 10. Completes paper forms 11. Interviews client – info gathering, documents, covers eligibility requirements, explains PROMISE JOBS, etc. 14. Enters interview data into ABC and other systems 15. Determines eligibility for FIP food stamp, Medicaid and childcare for each member of family 16. Files notice in case file 17. Makes appropriate referrals to PROMISE JOBS, Food Stamp Employment and Training (FSET), Child Support Recovery (CSR), Vocational Rehabilitation (VR), and Health Insurance Premium Payment (HIPP), etc.	
3 Request PROMISE JOBS Engagement		1. Clerk sets up hard case. 2. Clerk or PROMISE JOBS sets up interview with client 3. Clerk or PROMISE JOBS sends "last chance" letter. 4. Clerk or PROMISE JOBS sets up interview with client

Parallel Function Analysis of Current IM/PROMISE JOBS Process, continued

Stage	IM Subsistence Need Functions	PROMISE JOBS Employment Development Functions
4 Failure to Engage	1. DHS completes quality review of 10% of cases	LBP When No Engagement at Stage 3 or Stage 5: 1. PROMISE JOBS sends LBP Request to "specialist" 2. Specialist must forward LBP request to IWD admin. Staff for subsequent LBP's 3. IWD Admin Staff approves/denies 4. PROMISE JOBS or Clerk enters data into PROMISE JOBS Jobs (or further action is requested and steps 1-3 must be repeated. LBP When FIA Abandoned at Stage 6: 1. PROMISE JOBS documents FIA abandonment 2. PROMISE JOBS Sends LBP request to "specialist" 3. "Specialist" forwards to IWD state level (Jack/Diane) 4. IWD Admin approve/deny LBP request 5. PROMISE JOBS returns LBP by mail. 6. PROMISE JOBS enters LBP or resumes case management (if LBP denied)
5 Assessment		1. PROMISE JOBS schedules appointment for further assessment and develop FIA. 2. PROMISE JOBS sends Notice of Appointment
6 Ongoing Service Delivery/Job Performance	IM: 1. Reviews eligibility at 6 month intervals 2. Processes monthly reports and calculates benefits monthly for those working 3. Processes "changes" as reported 4. Refers client to other agencies as needed 5. Manages appeals process 6. Approves child care providers for employed clients	PROMISE JOBS: 1. Refers client to other agencies as needed 2. Collects Time/Attendance, job searches and other information 3. Enters data to document hours of participation 4. Sends letters/notifications to client (e.g. request information, schedule of appointments, scheduled activities, client issues/failures, etc. 5. Authorized monies for transportation, child care and other expenses 6. Addresses and resolves barriers to self-sufficiency 7. Approves child care providers for non-employed clients 8. Tracks eligibility for FIP/PROMISE JOBS 9. Manages appeals process
7 Exit	1. IM enters reason in Iowa Automated Benefit Calculation (IABC) 2. IM closes FIP hard case	1. PROMISE JOBS issues notice 2. PROMISE JOBS closes PROMISE JOBS services, hard case and electronic case

Parallel Function Analysis of Current IM/PROMISE JOBS Process, continued

Stage	IM Subsistence Need Functions	PROMISE JOBS Employment Development Functions
8 Transitional Support	1. IM transitional supports = Medicaid, food stamps, child care 2. DHS transitional supports = child support recovery	

Options Analysis

Recommendation Classifications

We used the following ledger to help classify the options and recommendations we considered.

Ledger Key:

- I = an incremental change not requiring huge changes in behaviors of people involved
- Q = a qauntum leap requiring possible large changes in behaviors.
- L = a large scale option requiring many people and/or much money.
- SS = a self-service option often opened up by technology.

Concepts Discussed

The following conceptual ideas were discussed but the team did not feel they fell within the scope of this assignment:

- **(L)** - Combine the FIP/PROMISE JOBS functions into a new agency
- **(L)** - Combine the FIP/PROMISE JOBS functions into a new job classification
- **(Q)** - One agency should be responsible for issuance of all child care subsidies.
- **(Q)** - Integrate PROMISE JOBS, WIA and IWD into a more comprehensive 1-stop employment training operational and delivery system (assessment, admin., coordination of training monies with WIA funds, etc. – Will be applicable in Stages 3-6)
- **(I)** - Re-look at sequencing of PROMISE JOBS activities.
- **(I/Q) -** Reduce application length and case management file. App is currently longer because client is giving information related to 3-4 different programs.
- **(Q) -** Consider how to integrate family development services into the larger employment and training system.
- **(L) -** Integrate IT system with common intake data warehouse capability.

Recommendations Embedded Within IM/PROMISE JOBS Process

These recommendations are identified within the stages of the IM/PROMISE JOBS process. Some recommendations will require additional analysis. We are looking primarily for opportunities to save time and cost and not compromise service. Each recommendation has a classification in ( ).

Stage	Potential Recommendation
1 Entry	• **(I)** - To extent feasible, combine all FIP/PROMISE JOBS pamphlets into one concise, easy-to-understand pamphlet to be mailed out at time of application or handed/mailed to applicant at the time of an interview. • **(Q)** – Provide electronic application availability. • **(L)** - Eliminate paper case records and replace with electronic case records.
2 FIP Application Process	• **(I)** - Reduce or eliminate lag time of FIP face-to-face interviews by making interviews optional, by phone or in person, at either parties' request and use them for addressing specific issues only. Reduce the frequency of eligibility reviews. • **(I)** – Require FIAs to be signed before FIP is approved by DHS. • **(I)** – Write short term FIA to the longest length practical.
3 Request PROMISE JOBS Engagement	• **(I)** - Eliminate 1 or more of the letters in the engagement process. • **(I)** - Provide better up front assessments, using tools that identify the strengths and indicators of barriers including substance abuse, domestic violence, learning disabilities and mental health issues. When assessment indicates a barrier, the participant is referred for a professional assessment, treatment to be determined by the professional and included in the FIA. Best practice is to have professionals on hand in the welfare offices to see the individual(s) immediately after the assessment. The assessment would be used to direct the appropriate activities, or flow through activities. • **(I)** - Create more immediate consequences for failure to engage throughout the process.
4 Failure to Engage	• **(I)** - Eliminate steps to initiate LBPs that results in handoffs and multiple layers of approval by eliminating the: – State Review – DHS Sampling Control Note: The LBP Specialist Review and Appeal Rights should be left as is.
5 Ongoing Service/Job Performance	• **(Q)** – Provide more efficient services to clients/customers by providing structure through PROMISE JOBS activities so each activity builds on the prior ones. • **(I)** - Revise notification policies to cancel PROMISE JOBS services along with FIP so a separate notice of decision is never needed.
6 Exit	N/A
7 Transitional Support	N/A

Recommendation #1: Access Barriers

Problem/Issue

System and policy barriers exist within DHS and IWD that prevent access to, and sharing of, critical information between agencies who serve common clients.

Recommendations:

Barriers must be removed that prevent partner agencies from accessing important data/information about shared clients. (PROMISE JOBS Case, and the Eligibility Tracking System (ETS) are examples)

Rationale

Allowing workers from IWD direct access to DHS data, instead of requesting it from DHS workers will save time and money.

Benefits

- Quicker access to needed information allows PROMISE JOBS staff to provide timely and proper services for our shared clients.
- Reduce software and storage costs
- Shared ownership of common information

Service and Fiscal Impact

- Service Improvement - Medium
- Fiscal Impact:

- Implementation Cost - Low (Under $100,000)
- Savings - Staff time saving will be reinvested in customer service improvement

Requested Feedback

- Agree With Recommendation As Is
- Agree With Recommendations With Comments
- Disagree With Recommendation

Comments:

Recommendation #2: Electronic Application Availability

Problem/Issue

Families who are in need of public assistance are required to get application forms from local DHS offices. This requires some people to either pick up applications or have them mailed to their residence and then return them to the local office.

Recommendation

Provide electronic application availability to customers for DHS programs by making an electronic application available for our services.

Rationale

Customers will have greater flexibility in how they access the DHS application (from home, school, DHS, IWD, and other state agencies and institutions).

This concept is consistent with the movement towards e-government.

Benefits

- This will speed processing time
- Improve customer service by reducing office wait time
- Makes it easier for needy families to apply for the services they need
- DHS case workers will save time since data entry will be minimized
- Applicants will no longer need to contact local DHS offices to request applications which will free up clerical staff time.

Service and Fiscal Impact

- Service Improvement - High Potential
- Fiscal Impact:

- Implementation Cost - Low to Medium (Under $500,000)
- Savings - Staff time saving will be reinvested in customer service improvement

Requested Feedback

- Agree With Recommendation As Is
- Agree With Recommendations With Comments
- Disagree With Recommendation

Comments:

Recommendation #3: Paper Case Records

Problem/Issue

DHS and IWD currently maintain both a paper case file and electronic case information. This duplication of effort is not efficient and creates the potential for inconsistent information.

Recommendations

Eliminate paper case records and replace with electronic case records.

Rationale

With no paper case record to maintain, it is easier for DHS and IWD to share access to a client's information, and there is no need to photocopy information, mail information between agencies, or take time to file and update the paper file.

This idea is consistent with the movement towards e-government.

Benefits

- Time and money will be saved by streamlining the types of case management duties
- This will free up worker time to provide better and quicker services
- Will allow for proper follow up of client needs
- Save money because of the reduction of printing of forms and paper for photocopies
- Save money on storage space for hard copies of records

Service and Fiscal Impact

- Service Improvement - Low
- Fiscal Impact:

- Implementation Cost - High (Over $500,000 with ongoing maintenance cost)
- Savings - Staff time saving will be reinvested in customer service improvement along with anticipated long term space storage and supply savings.

Requested Feedback

- Agree With Recommendation As Is
- Agree With Recommendations With Comments
- Disagree With Recommendation

Comments:

Recommendation #4: FIP/PROMISE JOBS Assessment

Problem/Issue

National and State data indicate that a significant number of FIP participants are affected by substance abuse, domestic violence, learning disabilities, and mental health issues. These issues must be identified and addressed if there is any likelihood that these families will leave FIP assistance on a permanent basis. The challenge is to utilize an assessment process that enables participants to be evaluated more quickly for these issues and, when appropriate, allow for treatment and development of accommodation plans as soon as possible.

Recommendation

Participants' strengths and barriers will be assessed using a standardized assessment process. Particular emphasis will be given in this process to determining substance abuse, domestic violence, learning disabilities, and mental health issues. When assessment indicates this type of barrier, the participant will be referred for a professional evaluation, and any recommended treatment will be included in the Family Investment Agreement.

Rationale

There has been much discussion and debate regarding assessment of welfare recipients. Issues include the frequency and intensity of the assessment, what tools should be used, and how many program resources should be invested in assessment. With limited program dollars, it is essential that investment in assessment yields an appropriate return.

Program data and experience indicate that large numbers of long-term welfare recipients have issues with substance abuse, domestic violence, learning disabilities, and mental health. Data also shows that until these issues are addressed, the majority of these individuals remain on welfare assistance.

Program resources must be shifted "up front" to identify participants at-risk for these barriers, and referral to the appropriate professional staff should occur as quickly as possible. The use of standardized assessment tools will ensure that PROMISE JOBS staff can identify individuals at-risk. Professional staff with expertise in these areas would conduct in-depth evaluation and recommend treatment or the development of an accommodation plan. These recommendations would then be incorporated into the Family Investment Agreement.

Studies have also shown that the most effective and efficient way to connect participants with the professional staff is to have them located on site where the assessment occurs. This approach has proven to be workable in other states. Because of resource limitations, this may not be practical in Iowa, at least in the near future. At a minimum, local agreements and arrangements should be made that allow for easy and speedy access to these professionals off-site.

Recommendation #4: FIP/PROMISE JOBS Assessment, continued

Benefits

- Consistent assessment activity in all regions of the State
- Improved ability to identify participant barriers to self-sufficiency
- More rapid engagement of participants with professional counselors for specific barriers
- Better focus on participant barriers will result in less time on welfare end

Service and Fiscal Impact

- Service Improvement - High
- Fiscal Impact:

- Implementation Cost - Low (Under $100,000)
- Savings - Staff time savings realized under other recommendations will be reallocated to this recommendation

Requested Feedback

- Agree With Recommendation As Is
- Agree With Recommendations With Comments
- Disagree With Recommendation

Comments:

Recommendation #5: FIP/PROMISE JOBS Component Structure

Problem/Issue

PROMISE JOBS participants are generally able to access the full range of PROMISE JOBS activities and components at any time, with very few limitations. The Family Investment Agreement, which authorizes program activities, is a mutually agreed upon document between the participant and program staff. Participant requests for activities are generally agreed to, unless a specific barrier is identified during assessment that indicates these activities as being inappropriate. In the absence of such information, participant choice of activities is usually granted.

Program experience has now shown some activities or combinations of activities to be more effective, and that participants do not always make the best choices in planning their path to self-sufficiency. In addition, program resources are limited, and participants now face a sixty-month lifetime limit for TANF assistance. In the current environment, we need to be more proactive in guiding the participant process.

Recommendation

PROMISE JOBS staff will provide more efficient service to participants by providing structure through activities so each activity builds upon prior activities.

Rationale

Customer choice should continue to play a significant role in determining activities in PROMISE JOBS. However, experience has shown that some participants can set themselves up for failure if the proper foundation is not established before beginning some components, such as post secondary training. In addition, some degree of preparatory training often needs to be provided before participants are work-ready. With limited resources, it is critical to get substantial return on dollars invested in terms of participants moving towards independence from FIP. The lifetime limit on TANF assistance has created the need for families to find the path to FIP-independence more quickly. Given these circumstances, more structure needs to be mandated in the process through PROMISE JOBS. Examples of this structuring could include: the ability to access a particular component only with prior completion of a prerequisite component, limiting participation in a component to only those simultaneously participating in another component, prohibiting participation in a component without documentation through assessment of likely successful completion, and other similar restrictions.

Benefits

- Better use of program resources, both dollars and staff;
- Quicker engagement of participants in needed components;
- More successful program completions, and shorter time on FIP, resulting in cost savings.

Recommendation #5: FIP/PROMISE JOBS Component Structure, continued

Service and Fiscal Impact

- Service Improvement - Medium
- Fiscal Impact:

- Implementation Cost - Low (Under $100,000)
- Savings - Long-term savings will be realized when improved services result in clients leaving FIP earlier. Staff time savings realized under other recommendations will be reallocated to this recommendation

Requested Feedback

- Agree With Recommendation As Is
- Agree With Recommendations With Comments
- Disagree With Recommendation

Comments:

Recommendation #6: Limited Benefit Plan

Problem/Issue

The PROMISE JOBS policies currently provide for multiple request and review steps to be completed before a participant can be approved as choosing the Limited Benefit Plan. This process requires that records be passed between staff at both local and state levels before approval is granted. The overall process often creates a delay in the determination of whether participants must become re-engaged in program activities or have a Limited Benefit plan established causing a suspension of FIP benefits.

Recommendation

Eliminate unnecessary steps in the LBP process that require handoffs and multiple layers of approval before an LBP can be initiated. The review by IWD state staff and the quality control sampling by DHS state staff would be eliminated.

Rationale

The multiple steps in the current LBP process ensure that participants are aware of the consequences of choosing the Limited Benefit Plan, and provide opportunities for participants to make known barriers they face that prevent them from participating. PROMISE JOBS has now been in existence for several years and participants are knowledgeable regarding the program requirements and consequences. The elimination of some steps will make the process more efficient, and will leave adequate safeguards in place to deal with participant concerns. The revised process includes a review locally by staff specialists, and continues the ability for participants to request a hearing before an administrative law judge.

Benefits

- Greater efficiency in the process, with a diminished period of uncertainty while cases are decided;
- Timely consequences for those individuals unwilling to participate in PROMISE JOBS;
- Quicker re-engagement in the program or ending of FIP benefits, resulting in cost savings.

Service and Fiscal Impact

- Service Improvement - Medium
- Fiscal Impact:

- Implementation Cost - Low (Under $100,000)
- Savings - Medium ($100,000-$500,000)

Requested Feedback

- Agree With Recommendation As Is
- Agree With Recommendations With Comments
- Disagree With Recommendation

Comments:

Recommendation #7: PROMISE JOBS Engagement

Problem/Issue

PROMISE JOBS requires multiple notifications to inform participants of appointments and provide information relative to program participation. The duplication of such actions cause unnecessary delays in participants either becoming engaged in activities or from being placed in a Limited Benefit Plan.

Recommendation

Duplicative notices should be eliminated from the process used to engage FIP participants in PROMISE JOBS.

Rationale

The multiple notifications were established to ensure participants are informed about program requirements before any adverse action is taken. In many cases these notifications are duplicative, and since PROMISE JOBS has now been in existence for several years, participants are well informed of the program requirements. Furthermore, there are always opportunities for participants to contact supervisors and advise them of any barriers preventing their participation. This change will enable families to begin self-sufficiency activies more quickly. Families not committed to timely participation will have the consequence of choosing the LIMITED Benefit Plan.

Benefits

- Quicker engagement in the program;
- Elimination of unnecessary work for program staff;
- Increased program efficiency for both participants and staff, resulting in cost savings.

Service and Fiscal Impact

- Service Improvement - Medium
- Fiscal Impact:

- Implementation Cost - Low (Under $100,000)
- Savings - Medium ($100,000-$500,000)

Requested Feedback

- Agree With Recommendation As Is
- Agree With Recommendations With Comments
- Disagree With Recommendation

Comments:

Recommendation #8: Family Investment Agreement Before Family Investment Program

Problem

Currently families approved for FIP are referred to PROMISE JOBS to write an FIA and participate in employment and training activities. PROMISE JOBS staff sends initial notices to families to schedule an appointment. Often there is a prolonged period of time between referral of a family to PROMISE JOBS and actual engagement with the program. There is no consequence to the family for delaying participation in PROMISE JOBS because they receive FIP until such time that a Limited Benefit Plan is imposed. Families continue to receive FIP assistance through this time period.

Recommendation

Applicants for the FIP program who are required to participate in PROMISE JOBS be required to sign a Family Investment Agreement before DHS approves FIP assistance for the family.

Rationale

This change will enable families to be made aware more quickly of their responsibilities to move toward self-sufficiency by following the steps in their signed FIAs. It emphasizes the point that FIP is both cash assistance and a self-sufficiency program. This process will prevent families from receiving assistance who are not committed to participation. The change will also ensure that staff administering the program will utilize resources "up front" to make signing FIAs a priority. Any additional costs associated with this change in staff time attempting to schedule families for participant and/or pursuing LBPs.

Benefits

- Clearly demonstrates for participants the relationship between FIP cash benefits and PROMISE JOBS self-sufficiency activities;
- Engages participants in the program or denies their FIP eligibility;
- Reduces "lost months" of non-participation in the sixty month lifetime limit on FIP;
- Quicker engagement means quicker exit from the program, thus reducing program costs.

Service and Fiscal Impact

- Service Improvement - High
- Fiscal Impact:

- Implementation Cost - Low (Under $100,000)
- Savings - Medium ($100,000-$500,000) and staff time saving will be reinvested in customer service improvement

Requested Feedback

- Agree With Recommendation As Is
- Agree With Recommendations With Comments
- Disagree With Recommendation

Comments:

Recommendation #9: Short-Term Family Investment Agreement

Problem/Issue

One of the primary components of the Family Investment Agreement has been the establishment of a self-sufficiency date for the family. PROMISE JOBS staff assess the barriers faced by the family, identify activities needed to overcome these barriers to self-sufficiency, and negotiate with the family a projected date when the family will be independent from FIP, often several years in the future.

For many FIP families, barriers exist which make this type of long-term planning speculative, at best. PROMISE JOBS staff knows the difficulties in writing a long-range FIA for certain families with multiple barriers. In many situations, it is more reasonable to establish incremental FIAs that continue to be constructed as participants succeed in completing initial steps in the process.

Recommendation

FIAs may be written for incremental steps in the process, with the expectation that it will be written for the longest length practical.

Rationale

There are concerns that the FIA not written to the self-sufficiency date will prevent the family from realizing the temporary nature of TANF assistance. However, experience has shown that a shorter FIA will allow the family to focus on immediate steps, and the required activities for the family are clearer to both the family and staff. Further, the family will be able to build on the successful completion of incremental steps in the process, rather than focusing on long-term goals that may not be appropriate.

Benefits

- Improved efficiency in the FIA development process
- Clearer program steps and goals for participants
- Cost savings by eliminating components or steps that are inappropriate for the participant

Service and Fiscal Impact

- Service Improvement - High
- Fiscal Impact:

- Implementation Cost - Low (Under $100,000)
- Savings - Low in time and money

Requested Feedback

- Agree With Recommendation As Is
- Agree With Recommendations With Comments
- Disagree With Recommendation

Comments:

Recommendation #10: Family Investment Program/PROMISE JOBS Pamphlets

Problem/Issue

When a family applies for public assistance, they are given multiple pamphlets describing our various programs and requirements. This can be quite overwhelming to applicants and much of the information may get lost because we give them so much information on multiple forms.

Recommendation

To the extent possible, combine FIP/PROMISE JOBS pamphlets into fewer concise and easy to understand pamphlets.

Rationale

All of the information an applicant family needs would be found in one place. Clients will be more likely to read and remember the information found in one easy to understand pamphlet.

Benefits

- DHS should realize a savings in printing costs, and will not need to maintain an adequate supply of multiple pamphlets on hand in local offices.
- Less confusing for applicants.

Service and Fiscal Impact

- Service Improvement - Medium
- Fiscal Impact:

- Implementation Cost - Low (Under $100,000)
- Savings - Low in money

Requested Feedback

- Agree With Recommendation As Is
- Agree With Recommendations With Comments
- Disagree With Recommendation

Comments:

Recommendation #11: FIP Eligibility and For Face-To-Face Interviews

Problem/Issue

Families applying for FIP are required to attend a face-to-face interview before eligibility for FIP can be granted and periodically thereafter. This creates the need for scheduling meetings, a visit to the local DHS office, and may cause delays in determining FIP eligibility.

Recommendation

Reduce the frequency of FIP eligibility reviews. Eliminate the FIP requirement for face-to-face interviews by making them available by phone or in person, optional, at either parties' request, or to address specific issues only.

Rationale

Allows greater flexibility for workers to manage their caseloads. This is necessary as there are fewer workers to handle an increasing number of cases. Also, this eliminates a formal interview that is not generally necessary to determine FIP eligibility.

Benefits

By allowing flexibility in how IM workers collect information and determine FIP eligibility, we provide quicker, more efficient, and more client friendly services.

Service and Fiscal Impact

- Service Improvement - High
- Fiscal Impact:

- Implementation Cost - Low (Under $100,000)
- Savings - Low in money

Requested Feedback

- Agree With Recommendation As Is
- Agree With Recommendations With Comments
- Disagree With Recommendation

Comments:

Recommendation #12 - Notice of Decisions

Problem/Issue

When FIP is cancelled, DHS is required to send the family a Notice of Decision to inform them. This notice is sent automatically by the IABC system when the IM worker enters the appropriate FIP cancellation code. The PROMISE JOBS worker must also send a manually prepared Notice of Decision to cancel PROMISE JOBS services.

Recommendation

Make changes to the language of the DHS notice so that is cancels both the FIP and PROMISE JOBS services at the same time.

Rationale

One notice being sent to the family is easier to understand, will be less confusing, and will make clear the relationship between FIP and PROMISE JOBS.

Currently, the Notice of Decision from PROMISE JOBS is sent manually by the case worker. By changing the DHS notice, information about PROMISE JOBS cancellation will be automatically sent by the IABC system along with notification that FIP is cancelled.

Benefits

- Only one notice will be sent instead of two,
- PROMISE JOBS will not need to write and mail a notice,
- Less confusing for clients, and
- Reinforces the idea that FIP and PROMISE JOBS are two halves of one program.

Service and Fiscal Impact

- Service Improvement - Low
- Fiscal Impact:

- Implementation Cost - Low (Under $100,000)
- Savings - Low

Requested Feedback

- Agree With Recommendation As Is
- Agree With Recommendations With Comments
- Disagree With Recommendation

Comments:

Conclusion

As stated in the Executive Summary, the business of reforming welfare is a dynamic process in that it needs to constantly adjust to changing needs and priorities. It must effectively serve both the individual participant and an aggregation of participants. Its immediate and extended customer groups are many and diverse, with varying goals and expectations that sometimes run counter to each other. And it must accomplish its work in ever-changing economic and political environments.

The Iowa welfare reform effort continues to evolve. The committee supports that evolution and we believe that implementation of these recommendations will significantly advance the program to even greater levels of success. However, we also recognize that additional steps can, and should, be considered to bring about additional improvement.

For this reason the "Options Analysis" section lists other concepts that the committee discussed. These concepts were not dismissed because they were viewed to be unreasonable or unworkable, but simply because they were beyond the scope, time, or resources of the committee. These concepts could be given further consideration in the future.

We believe that welfare reform in Iowa has been a successful effort, founded upon the concepts of responsibility, choice, and consequence; supported by strong inter-agency partnerships; and focused on the well-being of our citizens. We further believe that the programs support by welfare reform will continue to provide effective services as the evolution of the process moves through the recommendations provided by this proposal and through those changes that are yet to come.

We appreciate the opportunity to provide our input into this progression.

Glossary

Term/Acronym	Description
CSR	Child Support Recovery
DHS	Department of Human Services
FaDSS	Family Development and Self-Sufficiency Program
FIA	Family Investment Agreement
FIP	Family Investment Program
FSET	Food Stamp Employment and Training
HIPP	Health Insurance Premium Payment
IABC	Iowa Automated Benefit Calculation
IM	Income Maintenance
IT	Information Technology
IWD	Iowa Workforce Development
LBP	Limited Benefit Plan
PJOB	IWD PROMISE JOBS data entry sytstem
PROMISE JOBS	Stands for Promoting Independence and Self Sufficiency through Employment Job Opportunities and Basic Skills.
WIA	Workforce Investment Act

Appendix - IM/PROMISE JOBS Self Sufficiency Team Recommendations and Legal Base Analysis - As of December 10, 2001

IM staff reviewed our recommendations and indicated in the table below the impact of each recommendation on IA code, administrative rules, the State Plan, Employee Manual and system changes along with the estimated earliest implementation date.

Recommendation	IA Code	Adm Rules	State Plan	Employees Manual	System Changes	Earliest Implementation Date
#1 - Access Barriers	No	No	No	No	Yes	Dependant upon system changes.
#2 - Electronic Application Availability	No (239B.2(1))	Possibly	No but recommended	Yes	Yes	Dependant upon system changes.
#3 - Paper Case Records	Possibly – If need to be specific	Possibly – If need to be specific	No	Yes	Yes	Dependant upon system changes.
#4 - FIP/PROMISE JOBS Assessment	No (239B.8)	Yes	Yes	Yes	Possibly. Dependent upon how we implement.	Minimum of 6-months for rule change. Also, may be dependant upon system changes.
#5 - FIP/PROMISE JOBS Component Structure	No (239.B(8)2)	Yes	Possibly	Yes	No	Minimum of 6-months for rule change.

Appendix - IM/PROMISE JOBS Self Sufficiency Team Recommendations and Legal Base Analysis - As of December 10, 2001, continued

Recommendation	IA Code	Adm Rules	State Plan	Employees Manual	System Changes	Earliest Implementation Date
#6 - Limited Benefit Plan	No (239B.9)	Yes	No	Yes	No	Minimum of 6-months for rule change.
#7 - PROMISE JOBS Engagement	239B	Yes	No	Yes	No	Possibly - Depends n how implemented.
#8 - Family Investment Agreement Before Family Investment Program	No (239B.2(4)a.)	Yes	Yes	Yes	Yes	Minimum of 6-months for rule change. Also dependant upon system changes.
#9 - Short-Term Family Investment Agreement	Possibly (239B.8 – 1st paragraph)	Yes (93.109(2)(4)b.(1))	No but recommended	Yes	No	Minimum of 6-months for rule change.
#10 - Family Investment Program Pamphlets	No	No	No	Yes	No	6/1/02
#11 - FIP Eligibility And Face-to-Face Interviews	No (239B.2(7))	Yes	No	Yes	Yes	Minimum of 6-months for rule change. Also dependant upon system changes.
#12 - Notice of Decisions	No	Yes	Yes	Yes	Yes	Minimum of 6-months for rule change. Also dependant upon system changes.

On-Line Licensing

Iowa BPR Report

January 31, 2002

Kay Halloran, Department of Commerce
Ella Mae Baird, Department of Public Health
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TABLE OF CONTENTS

Internal Introduction

The State of Iowa serves the purpose of regulating public services for its citizens. These services cover a broad range of activities from workers' compensation to vital record management. The main role the employees play in these services is the determination and administration of benefits based upon the rules the State has set. The focus of this recommendation is on the activities and processes that surround professional licensing administration. These are licenses that are issued to individuals and firms required of them to perform their jobs.

Within the larger scope of professional licensing administration we have identified two sets of processes that occur: simple and advanced processing. Simple processing are the activities that are performed that do not add value to the process. This could involve the review of the material for errors and omissions, the passing of the information, or payment processing. More to the core of the function, the advanced processing involves the review of the material by a worker with intimate knowledge of the licensing to determine eligibility and qualifications, validity, and on-going review.

It is our assertion in this paper that the simple processing activities are rote and no longer require staff intervention with the state of technology in today's age. Technology will increase the efficiency and decrease errors that occur at this level of processing. Professional licensing can be completed with minimum effort on-line and provides the greatest return on investment in the long run. Professional licensing, with its complex rules, also offers the greatest opportunity for process review to determine where efficiencies can be created to allow the licensing staff more flexibility in the advanced processing where they add the most value.

Licensing In Iowa

In order to understand the scope of the project, we must take into account the population size it affects.

Employment Data ***(in thousands)***	
Iowa Population	2,870.
Total Labor Force[1]	1,562.9
Employed[2]	1,524.
Est. of Licensed Employed[3]	380.083

[1] December 2001 figures – Iowa Workforce Development
[2] December 2001 figures – Iowa Workforce Development

[3] Estimate based on data collected. Not all agencies reporting. For agencies that did not report current year, most recent year used. Does not take into account one person holding multiple licenses.

The above figures show that approximately 25% of the Iowa workforce is in professions that require licensure, certification, or some other form of registration. This represents a large amount of paperwork and personnel time for the State of Iowa that is dedicated to the administration of these licensing programs every year.

Any advancement in license administration would greatly enhance the efficiency of any of the issuing entities. A common approach, or footprint, to licensing would therefore greatly benefit the state as a whole and the 25% of the employed population that it represents.

It is difficult to say how much of an effect these professionals have on the Iowa economy. The gross state product from 1999 was $85,243,000,000 of which $4,904,000,000 was contributed by health services alone which includes a host of licensed professions. However, further research needs to be done to apply the 25% of licensed professionals figure to the gross state product.

However we can make the following assumptions for the purposes of this paper:

- Iowa licensed professionals make up a considerable amount of the State's workforce and economic strength.
- Timesavings to a licensed professional through electronic processes will allow a professional to contribute to the economy without lag.
- The licensing project has a stable and justifiable mandate to continue in an effort to better serve 25% of the workforce.

Problem Statement

There are several problems that now exist in the area of professional licensing for the State of Iowa.

- Services may not be provided in the most efficient manner.
- Licensees need to be more aware of their obligations and take more responsibility for their license maintenance.
- All agencies follow inconsistent rules in administering their licensing activities.
- History of lack of cooperation within State government complicates the collaboration process.
- Inertia within the processing activities makes the overall process rigid and inflexible. Staff may not want to change.
- Severe lack of funding in licensing activities.
- Knowledge workers must spend time performing simple processing activities that detract from the advanced, value-added, activities.

The overall problem defined is that currently there is a notion that quantity of licenses processed is equated to the quality of the program. Here we have the simple processing and shuffling of paper defining the success of the program and not necessarily focusing on those activities that define licensing. The State must continually review and revise how licenses are processed to increase and maintain customer service. Customer service may be defined as quick turn around, with minimum errors and availability of knowledgeable staff to answer questions. Customer service may also be extended to include the activities that are performed to ensure the integrity of the program such as auditing. It is into these auditing activities that the attention of the knowledge worker will be shifted, as more of the rote processing is technology enabled. As this shift occurs, it is expected with an increased chance of being audited that licensees will become more aware of the rules and more likely to follow them.

Another of the major problems is the increasing lack of State budgets and resources required to maintain these programs. It is our assertion that as we redefine the licensing process into a self-service technology enabled model, staff allocation can easily flow into the value added processes that will alleviate some of the problem.

The first step to improving the situation and working towards solutions comes from this report itself. The business case for on-line licensing is imperative for the education of agencies to understand fully the benefits. As the agencies come to understand the advantages of a redesigned licensing system, collaboration will occur as they strive to resolve problems. We anticipate issues concerning ownership of data and control over applications as we move towards this system. These issues should be resolved through discussions with the agencies and executive guidance.

We see several options that are needed for continuation past this point:

- Development of a cross-agency group to continually review and make recommendations on rules and processes.
- Retraining of licensing staff on the benefits of licensing redesign.
- The continuation of State efforts, through the ITD toward a centralized licensing system.
- Set up a time line directing agencies to join the redesigned licensing system.

Values, Goals and Decision Criteria

The goals of redesigning the licensing processes for the State fall among one of the goals for digital government in Iowa. In this process we must be aware of, and align with, the priorities set out by the Office of Digital Government within the ITD.

These priorities are:

- Accelerate end-to-end process integration.
- Development of a digital government architecture that will facilitate growth.
- Encourage the development of real time information systems to track progress and determine enterprise successes and direction.
- Encourage the practice of business process redesign (BPR).

Furthermore, the goals of introducing a professional licensing redesign concept into state government are:

- Save time, money, and resources within the licensing process.
- Increase customer self-service, and overall customer service.
- Increase the accuracy and timeliness of licensing information.
- Foster an environment that focuses on licensing processes, not the agency.
- Facilitate a licensing program that maintains awareness and an ability to evolve in light of other enterprise activities.
- Open the door for cross-state information sharing, such as ARELLO real estate rosters.

Costs

The Iowa Information Technology Department has been implementing on-line licensing for the past two years with the Board of Nursing under the Department of Public Health and the Department of Commerce. From their experience a model was developed for cost savings realized from on-line licensing. Attachment A details the costs associated with new license and renewal processing compared to these same processes enabled with technology and process redesign. The summary of the outcome of the model is as follows:

New Applications				
	Before BPR	After BPR	Delta	% Reduction
State Costs	$65,437.68	$24,435.28	$41,002.40	-62.66%
Applicant Costs	$61,000.00	$20,000.00	$41,000.00	-67.21%
Total Costs	$126,437.68	$44,435.28	$82,002.40	-64.86%

Renewals				
	Before BPR	After BPR	Delta	% Reduction
State Costs	$72,841.00	$1,500.00	$71,341.00	-97.94%
Applicant Costs	$44,000.00	$40,000.00	$4,000.00	-9.09%
Total Costs	$116,841.00	$41,500.00	$75,341.00	-64.48%

The model made the following assumptions:

- 10,000 renewals; 2,000 new applications per year
- Excludes license cost to focus on function
- 2% of licenses don't qualify
- Applicant/licensee time equals $.50 per minute
- Staff time equals $.30 per minute
- 100% online use after availability of existing ITD web enabled licensing system

Based on the overall cost savings of $157,343.40, the cost recovery for development of these applications would be less than a year assuming that estimates of $100,000.00 to build prove to be accurate. As more applications are designed and developed, the costs to design and develop decrease radically decreasing the time for cost recovery even further.

The costs beyond application development for the other activities to support the redesign effort have not been reviewed at this point.

Intangible Returns

The redesign of the professional licensing situation for the State of Iowa leads to a number of intangible returns.

Some of these returns are as follows:

- The increased ability for licensees and applicants to self-service their needs 24 hours a day.
- The flexibility for agencies to redistribute staff into value-added positions.
- The opportunity for licensing agencies to document and apply consistent rules to all their licensing processes. This includes the removal of decision making in areas where none are needed or cognitive heuristics produce erratic and undesired results.

These intangible costs directly impact the quality of service far beyond the amount of applications that are processed in a single day.

Stakeholder Impact

The redesign of professional licensing into an on-line model affects the following groups:

- Licensees
    - Positive Factors
        - Speed
        - Efficiency
        - Self-Service
        - Convenience
    - Negative Concerns
        - Access/Internet Reliability
        - Security Concerns
        - No desire to change
- Trade Group of Licensees
    - Positive Factors
        - Teaching computer literacy
        - On-line membership
        - Economic concerns
- Customers of Licensees
    - Positive Factors
        - Online verification
        - Online discipline history
- Employers
    - Positive Factors
        - Employee search
        - Online license verification

        - Online discipline history
- Legal Representation
    - Positive Factors
        - Search discipline histories for similar charges and penalties
- Education Facilities
    - Positive Factors
        - Electronic transfer of documents
        - Search for CEU offerings candidates

Current Progress

The ITD has begun to utilize JAVA in the creation of a centralized infrastructure to maximize internal knowledge of the business functions of licensing and permissions, as well as, create reusable JAVA code. This approach will increase efficiencies and therefore decrease implementation budgets and development time as new projects come on. The ITD has seen an increase in this efficiency in the renewal area by the following budgets.

License	*Rollout Date*	*Cost (Budget)*	*Development Time*
Nursing Renewals	8/21/2000	*$210,987.75	1834
Realtor Renewals	11/16/2000	$74,000	779
Accountant Renewals	5/1/2001	TBD	Est. 370
Architect Renewals	5/15/2001	$21,307.50	291
Physician Renewals	7/1/2001	$24,618.35	336

* - Includes additional charges to support and training of ITD staff actual is about $160,000

The typical effort to develop an online renewal has decreased dramatically from 1834 hours down to an estimated 370 for the ITD. This effort is divided up into the following segments detailed below. Please note that 'days to complete' are not the actual effort, but the timeframe in which the effort occurs and cannot be directly translated into work performed.

Development Effort	*Time Period of Completion*
Project Definition	12 Days
Design	15 Days
Develop & Unit Test	8 Days
System Testing/Connection Testing	7 Days
User/Acceptance Testing	3 Days
Application Migration to Production	5 Days
Pilot Testing	6 Days
TOTAL	**56 Days**

The agencies that have executed the on-line renewals have had a positive response from their constituent groups. As of 4/1/2001 the Board of Nursing had approximately 50% of their nurses renewing online. A further examination of the board's strategy will occur later in this document.

On-Line Usage

Below are the usage rates[4] for the online license renewals in production:

License	*Period*	*Number*	*Percent*
Engineers*	FY '00	564	20.9%
	FY '01	622	22.14%
	FY '02[5]	698	23.01%
Realtors**	FY '01	212	5.81%
	FY '02[6]	334	9.98%
Nurses**	September '00	72	4.8%
	October '00	216	17.8%
	November '00	253	19.4%
	December '00	207	19.5%
	January '01	363	29.8%
	February '01	518	47.6%
	March '01	566	54.5%
	April '01	543	57.28%
	May '01	598	54.51%
	June '01	617	52.78%
	July '01	694	62.69%
	August '01	612	69.62%
	September '01	660	78.67%
	October '01	903	72.36%

* - Renews one-third of licensees annually from November - January
** - Renews one-third of licensees annually from November - January
*** - Renews licensees monthly based on licensee birth date

[4] Source: Department of Commerce Professional Licensing Division and the Department of Public Health Board of Nursing
[5] Renewals were still being performed for the period. The number represents a snapshot in time of the last day of renewals. Actual numbers may be higher.
[6] Renewals were still being performed for the period. The number represents a snapshot in time of the last day of renewals. Actual numbers may be higher.

Recommendation

The group recommends a fast-track implementation process. This would include moving towards having all professional licensing on a single footprint renewal system with the goal of moving towards integrating the initial licensing process. The recommendation also includes instituting a professional licensing group for the review of license processes. This group would be overseen and approved by the Department of Management or another executive sponsor.

The state political environment is also ready for this move. Iowa has long been considered a lead state in similar initiatives, and needs to keep this status. The advancement of digital government portrays Iowa as a progressive state that can attract and retain citizens. From an economic development standpoint, this is crucial.

The funding for the applications is not in place yet. The group recommends a fee to be placed on licensing transactions that will go to support and develop future applications. Looking at two licenses such as occupational therapists and cosmetologists with a renewal base of 8,000 yearly could produce $40,000 if the fee was set at an additional $5.00 for on-line renewal. With renewal applications costing around $20,000 the break even point would be one year.

Further consideration also needs to be made for the credit card fees associated with license processing. As more licensees renew online, the cost of this efficiency needs to be brought to the attention of the legislature. It must be provided for in the department budgets. Up to now the departments have absorbed the cost. The success of the idea makes that no longer possible. For instance the Secretary of State's office has a cost of $20,000 per year for online credit card renewal of corporations. In order to provide incentives to renew online, the cost of renewal by paper form could be greater. It isn't known if this requires legislative action, but politically the Governor's Office must approve the policy.

Regulating agencies have very little or no federal money to offset the decrease in state funding, thus the regulating agencies are often the hardest hit when financial problems exist in the state. Agencies, in today's climate, will be reluctant to enter into a redesigned licensing system when the new system will mean an increase to the agencies' expenditures. With credit card processing approaching $2.00 per transaction, agencies can expect to incur an extra $20,000 to $30,000 in operating expenses if eighty percent of the licensees use the redesigned licensing system. We suggest that this problem be addressed up front. Two possible solutions are listed below:

- Of the $5.00 fee assessed to pay for the on-line program, $1.00 or $2.00 is returned to the agency for the sole purpose of paying credit card expenses. (This will delay the break-even point for the program.)
- Set up an "Outside base budget" allowance for regulating agencies to pay the credit card fees from fee-generated revenue without impacting their budgets.

Licensees who renew on-line may not look favorably at paying higher fees than those who renew manually (thus discouraging the public from using the on-line system), we suggest that agencies look closely at the actual cost of processing manual applications and compare the cost to online processing. Agencies could charge a higher fee to process applications manually due to the additional staff time required to process the applications.

Attachment A – Licensing Model

New Application - Manual

Assumptions:

- 2,000 applications per year
- Excludes actual license cost to focus on process
- 2% licenses fail
- Staff Time = .30 per minute
- Applicant/Licensee Time = .50 per minute
- No reciprocity applications

#	**Action**	**Actors**	**Technology Involved**	**Costs Involved**
1	Applicant contact office for application	Applicant		Phone Call Staff Time – 10 min $3.00 **$6,000**
2	Forms are sent	Staff		Printing - .20 Postage - .50 Staff Time – 10 min $3.00 Extra Materials - .20 (assume 4 pages .5 per) 2000 new applications **$7,900**
3	Applicant completes form and distributes parts for completion	Applicant; Stakeholder Parties		Complete App – 60 minutes $30.00 **$60,000**
4	Applicant sends back into board office	Applicant		Postage - .50 **$1,000**
5	Board opens returned application	Staff		1 minutes - .30 **$600.00**
6	Board data enters information	Staff		10 minutes – 3.00 **$6,000.00**
7	Money to business office (may be auditing requirements)	Staff		10 minutes – 3.00 **$6,000.00**
8	File passed off to processor	Staff		1 minutes - .30 **$600.00**
9	Processor reviews.	Staff		45 minutes –

	Assumes collection of materials from other sources, and verification of references and other materials			13.50 **$27,000**
10	If Processor denies, rejection letter goes to business office and everything is returned, check refunded (end)	Staff		Assume 2% or 40 licenses 10 minutes – 3.00 **$120.00**
11	May go to executive board if they have to require executive board approval, or special circumstance	Executive Board		**$1,500**
12	File updated to approve, and appropriate contacts made	Staff		10 minutes – 3.00 **$5,880**
13	Licensee has to pass national test (if available)	Applicant; National Board		Wash item out of scope.
14	License issued	Staff		Postage - .29 Window Envelope - .025 Staff Time: .1 minute - .003 Wallet Card - .04 Certificate - .10 5 minutes – 1.50 **$3837.68**
	TOTAL COSTS			**$126,437.68**

New Application – Technology and BPR Applied

Assumptions:

- 2,000 applications per year
- Excludes actual license cost to focus on process
- Staff Time = .30 per minute
- Applicant/Licensee Time = .50 per minute
- No reciprocity applications
- 100% online applications
- Assumes full functions of ITD web enabled on-line licensing system

#	**Action**	**Actors**	**Technology Involved**	**Costs Involved**
1	Applicant contact office for application	Applicant	Application on web	**$0**
2	Forms are sent	Staff	Application on web	**$0**
3	Applicant completes form and distributes parts for completion	Applicant; Stakeholder Parties	Applicant Completes Form Online	Complete App – 20 minutes $10.00 **$20,000**
4	Licensee sends back into board office	Applicant	Transfer Automated	**$0**
5	Board opens returned application	Staff	Transfer Automated	**$0**
6	Board data enters information	Staff	Information Entered Online by Applicant	**$0**
7	Money to business office (may be auditing requirements)	Staff	Money Captured by Online Payment	**$0**
8	File passed off to processor	Staff	File Electronically At Processor Station	**$0**
9	Processor reviews. Assumes collection of materials from	Staff	Electronic Files Reduce Paper Shuffling	30 minutes – 9.00 **$18,000**

	other sources, and verification of references and other materials			
10	If Processor denies, rejection letter goes to business office and everything is returned, check refunded (end)	Staff	All possibility of erroneous information is filtered by data entry on the system. Mistakes and omissions will be caught in the audit process.	**$0**
11	May go to executive board if they have to require executive board approval, or special circumstance	Executive Board		**$1,500**
12	File updated to approve, and appropriate contacts made	Staff	System electronically updates itself.	1 minutes – .30 1960 remaining licenses **$588**
13	Licensee has to pass national test (if available)	Applicant; National Board		Wash item out of scope.
14	License issued	Staff	The application batch prints notifications reducing time. BPR recommendation to not print wallet cards.	Postage - .29 Window Envelope - .025 Staff Time: .1 minute - .003 Certificate - .10 5 minutes – 1.50 1 minute – .30 **$4,347.28**
	TOTAL COSTS			**$44,435.28**

Renewal - Manual

Assumptions:

- 10,000 renewals per year
- Excludes actual license cost to focus on process
- Staff Time = .30 per minute
- Applicant/Licensee Time = .50 per minute
- No reciprocity applications

#	**Action**	**Actors**	**Technology Involved**	**Costs Involved**
1	Agency sends renewal notice	Sub-contractor		Postage - .29 Envelope - .025 Return Envelope - .04 Inserts - .025 Application - .06 Mailing - .06 Clerical - .03 **$5,300**
2	Resending misaddressed or returned renewals			25% of renewal mailing **$1,325**
3	Licensee fills out renewal	Licensee		20 minutes – 4.00 **$40,000**
4	Licensee sends in renewal	Licensee		Postage - .40 **$4,000**
5	Board office opens mail	Staff		1 minute - .30 **$3,000**
6	Board data enters, with continuing education	Staff		5 minutes – 1.50 **$15,000**
7	Money to business office	Staff		5 minutes – 1.50 **$15,000**
8	File passed to processor	Staff		1 minute - .30 **$3,000**
9	processor reviews continuing education and	Staff		5 minutes – 1.50 **$15,000**

	looks for accuracy, approves; may go to specialist if there are issues			
10	processor denies, rejected letter goes to business office and everything is returned, check kept and wait for revised paperwork (end)	Staff		Assume 20% of licenses fail 10 minutes – 3.00 **$6,000**
11	May go to executive board if they have to require executive board approval, or special circumstance	Executive Board		**$4,000**
12	if approve, update file and issue new license	Staff		Postage - .29 Window Envelope - .025 Staff Time: .1 minute - .003 Wallet Card - .04 Certificate - .10 **$4,580**
13	if reject send back and wait for paperwork	Staff		Postage - .29 Window Envelope - .025 Staff Time: .1 minute - .003 **$636**
	TOTAL			**$116,841**

Renewal - Technology and BPR Applied

Assumptions:

- 10,000 renewals per year
- Excludes actual license cost to focus on process
- Staff Time = .30 per minute
- Applicant/Licensee Time = .50 per minute
- No reciprocity applications
- 100% Online renewals
- Assumes full functions of ITD web enabled on-line licensing system

#	**Action**	**Actors**	**Technology Involved**	**Costs Involved**
1	Agency sends renewal notice	Sub-contractor	Boards assume either e-mail notification or stop all together.	**$0**
2	Resending misaddressed or returned renewals	Staff	No mailing means no returned mail	**$0**
3	Licensee fills out renewal	Licensee	Wash item	20 minutes – 4.00 **$40,000**
4	Licensee sends in renewal	Licensee	Electronic, no postage	**$0**
5	Board office opens mail	Staff	No mail, electronically delivered	**$0**
6	Board data enters, with continuing education	Staff	Data entry done by licensee on site	**$0**
7	Money to business office	Staff	Money collected and approved online; may add batch feature for employers that pay for multiple licensees	**$0**
8	File passed to processor	Staff	File electronically on processor's "desk"	**$0**
9	processor reviews continuing	Staff	Online renewal checks for items that need to be	**$0**

	education and looks for accuracy, approves; may go to specialist if there are issues		checked in order to process, errors and omissions will be caught in audit	
10	processor denies, rejected letter goes to business office and everything is returned, check kept and wait for revised paperwork (end)	Staff	Online renewal checks for items that need to be checked in order to process, errors and omissions will be caught in audit	**$0**
11	May go to executive board if they have to require executive board approval, or special circumstance	Executive Board	Electronic filing negates erroneous applications; Nursing no longer sees waivers, etc.	**$1,500**
12	if approve, update file and issue new license	Staff	Recommendation to dump wallet card	**$0**
13	if reject send back and wait for paperwork	Staff	No rejections, will find problems with licensee population in audit	**$0**
	TOTAL			**$41,500**

IOWA VETERANS HOME

Marshalltown, Iowa 50158

RESIDENT RECORD REDESIGN

A Proposal Developed for the Iowa Business Process Redesign Project

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January 23, 2002

EXECUTIVE SUMMARY

Currently, at the Iowa Veterans Home, resident/patient records are kept in many systems, using a wide range of techniques, from pen and paper to electronic records. In many cases, information is entered into a computer system, massaged, put into report format, and printed. Information from this printed report is then entered into another form from which it is entered into another system where it is massaged, and another report or reports printed. This procedure is repeated many times resulting in errors in the data entry, costs in processing time, inefficiencies of time and costs for forms and for equipment use, such as printers, personal computers, mainframe computers, and other peripheral devices.

The process proposed by this project would assure that the appropriate information is readily available for admission/discharge, census, billing, banking, medical records, pharmaceutical records, Medicare, Medicaid, legal purposes, and any other uses for this information throughout the agency and for exchange with other outside associates. Specifically, more revenue could be generated by having correct information readily available for insuring resident eligibility for Title XIX. Additionally, an enormous savings of resources could be realized from an interface that would allow our banking system and our billing system to exchange information.

Designated employees would have access only to that portion of the record for which they have a 'need to know'. Data integrity, data accuracy and information privacy are specifically goals of this project. Such things as redundancy and reliability of the computer hardware, reliability and dependability of computer software, and training and management of staff on the associated privacy requirements of this process are an integral part of the project.

Our facility has provided band-aid coverage to a gaping wound, by providing a solution to this or that need with this form, this committee, this policy or procedure or that computer software program when the one with the loudest voice or when a survey agency cited a deficiency or when the Federal government mandated it. Now we have a complexity of non-compatible processes that are inefficient and impossible to navigate without a map and/or a policy manual under each arm

Our operating system is several systems that have been designed on separate occasions by different programmers. All systems have been updated, changed, and reworked many times due to regulations and policy changes. In some cases the systems are not integrated so there is much manual input plus duplication of information which could cause intense manual labor with the chance for error extremely prevalent. At any given time, several portions of the several existing systems are in stages of revision.

This redesign will be a complete revision of the existing systems. It will meet opposition from the budget and staff as the initial implementation will be energy and financially costly.

A number of people will have their tasks redesigned due to the dwindling amount of paper processing required and the responsibility for that paper processing shifting to the originator who inputs instead of handing it off to someone else. A number of positions will need to learn new skills as a result of the automation itself and others because they would have less to do, so additional tasks would be added. Tasks will be redesigned so that individuals will work outside of departmental boundaries. There is potential for more complete analysis of the data generated. This will enhance the support for strategic planning as it affects the facility as a whole.

Accepting the redesign by employees will be enhanced by explanations of the purpose of redesign as an effective tool to conduct business. Training will be promoted as positive, cost effective, and not difficult.

After training has been finalized the working redesign will prove not only cost effective but also time effective. Staff will be able to do one-on-one client service as opposed to the way it is now with all staff struggling with the abundance of labor-intensive paper/reporting documentation and physically going to another room, building or area. One-to-one patient care time will be increased and quality of time enhanced. This will mean less stress, help with depression, and being more alert to a change in health, which could mean fewer health problems and psychiatric problems leading to lower health care cost. It would also free employees to work on projects that have been shelved because of lack of time to work on them providing for less human error.

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Introduction

The Iowa Veterans Home is vested by the citizens of the State of Iowa with the responsibility of providing for the men and women who have defended our borders and our freedoms. We take this mission very seriously and take great pride in the environment of care which includes buildings and grounds as well as the attitudes, training and education that we individually contribute.

In accordance with the provision of a high level of care, the Iowa Veterans Home proposes to create a single electronic resident/patient record which will be the repository for all data regarding residents from the time of IVH application until death or discharge, improving immediacy of information availability and efficiency of operation.

This project is concerned with an initial phase of this single record. Once the admission data has been collected, the information dissemination phase is vital to the efficiency and effectiveness of the use of the information throughout the agency. All information from the admissions process that is needed by any part of the agency would be available electronically, assuring that the information is immediate, accurate and available to anyone with a need to know.

Completion of this project is the beginning of a larger endeavor to include all resident data in one single electronic record. This larger endeavor will be a multi-year project because of the complexity of the issues involving data input and output on an internal and external basis.

The internal scope of the project will bring the facility into state-of-the-art technology which will enable the use of "palm-pilot" tools at the point of care delivery. Disparate systems working with proprietary software will be linked to the "one" electronic record. A significant amount of paper filing and the need for bulky filing supplies will see a significant decrease. Communications and resources across departmental lines will be simplified and available by more consistent and timely distribution to staff. These are just some of the internal improvements envisioned for the facility.

Externally, the project will affect all citizens who would have potential need of our services. The Internet will provide tools for making applications readily available and electronically transmitted. When considering this potential change, there will need to be consensus at the county and state levels of government. The Iowa Code and the Iowa Administrative Code will need to be reviewed and possibly revised. The Healthcare Insurance Portability and Accountability Act of 1996 (HIPAA) will apply in the areas of administrative simplification and privacy of healthcare information.

Potential savings for the larger project is beyond our current ability to estimate. The amount of time for all the potential changes to be implemented would only be a guess without consulting with all levels and developing a viable timeline.

The larger project entails changes at all levels of government and in many private sector relationships that exist with government entities. Depending upon the rules and regulations governing the operations of these entities, some legislative and/or legal systems changes will also need to take place.

Problem and Context

In an age driven by the "bottom line", every business is challenged with becoming more creative at the same time that baseline costs for doing business continue to rise. Long-term care is a business and recognized as such in the world market. The competition to capture the consumer is ever present. The consumer has more informational resources available than ever before. The Consumer has also come to realize that they are of value and that the business must be committed to meeting their needs, as they define them, and to do it in a manner that is affordable and acceptable. The consumer expects to be able to define their quality of life and find the business that will meet those standards.

As a result of the new consumerism, businesses in government and private sectors are evaluating their internal processes and systems to identify where, and how much change will be beneficial. In businesses where approximately 75% of the annual budget is consumed in the cost of labor, technology is providing alternative ways to accomplish the same results, in less time and allows a business to shift the "soft labor savings" to areas where it is needed. The variety of software packages on the market today, provides ample opportunity for businesses to select a product that most closely addresses their needs. Within the past ten years, even governmental entities have dedicated financial decision packages and resources to acquisition of the necessary hardware and training to enable employees to utilize the new technology. In some cases, the scope of the changes is minimal while other situations warrant incremental changes that result in a "wave effect" which ripples through the entire operation. It is not uncommon to find that governmental entities do not have the flexibility of their private sector counterparts in authorizing a portion of their appropriations to implementation of large process or system changes that have a major financial impact. The most common approach for governmental entities is the completion of small changes, resulting in a major shift over an extended period of time and throughout several budget cycles. When necessary budget appropriations are not allocated, agencies experience many negative impacts. There are new expectations to make the operation "lean" and continue to provide the same amount of service. When "lean" converts into "reduction in force", the agency is forced to look at processes or systems that might be redundant or unnecessary and eliminate the inefficiencies.

Regulatory agencies have also turned to technology to streamline their operations. This trickles down to the agencies that they regulate (the provider) and places new expectations on the provider to maintain records and produce time-limited reports which require a variety of data that is recorded from numerous input sites within an agency. Technology enables that information to have a single input source which populates a data base where selected information can be used to produce the necessary reports in a matter of minutes or hours as opposed to days and weeks. Inherent in reducing the number of input sources is a reduction in error rates. Reduction in errors has a direct relationship to continuous quality improvement efforts.

The customer will have a higher degree of satisfaction if information and data is required one time, readily available to all areas that need that information and accurate. The

customer can be defined differently, depending upon the role an individual fills throughout the process. For this project, there are many potential customers. Of primary concern is the individual making application (consumer) to the facility. Initially, the consumer will not be subject to answering the same questions as they move through the admissions process. Once admitted, the consumer will benefit from accurate information being disseminated to various departments associated with banking/billing, medical records and benefit programs (to name a few).

Another customer is the staff person responsible for initiating forms and notifications to various departments within the agency and to outside agencies at all levels (county, state, federal, etc.) By decreasing the time between receipt of the information and making it available to significant service areas, departments and/or agencies, the response will be more timely and the potential income generated will be increased. In some cases, the number of eligibility days for reimbursement from various governmental agencies can be increased. Quality of care at the point of delivery has potential for improvement, especially when the consumer has limited abilities in communicating their needs. Care-givers will realize time savings because the access to the significant information will be seamless.

The impact of creating one electronic resident record is more extensive than what could reasonably be accomplished within the limits of this project. With that in mind, the need to determine a starting point became evident. The admission to a facility is a very significant starting point and usually the first opportunity to access information or verify information that had been submitted in hardcopy. There is an immediate and direct relationship to generating revenue and maintaining an accurate record for census.

Values, Goals and Decision Criteria

Providing quality care to our resident/patients in a timely and efficient way is the ultimate goal of the Iowa Veterans Home mission statement. Altering the data dissemination process will result in a shift from "sequential activities" to "concurrent activities." All information will be entered "one time" into "one" electronic record, which will allow staff the necessary access to this information to assure immediacy of available information and efficiency of operation. This record would be the single, official record for admission/discharge, banking, billing, medical charting, and all other data used for the resident/patient's documentation. Designated employees would have access only to that portion of the record for which they have a "need to know" access.

First and foremost the health of the resident/patients will be improved, as information will be exchanged in a more timely manner. This will result in reducing the number of tests and evaluative processes. Also, the workload of staff will be more streamlined and effective as information will automatically be disseminated, reducing the possibility of errors and redundancy in workloads. With the efficiency of the work flow, staff will be able to do the many projects they have not been able to accomplish with the excessive amount of labor-intensive paper/reporting tasks they have to produce. One-to-one patient care time will be increased.

The Information Technology department will assume the initial burden of this process, as the technology system must be revamped. The current system now is a complex of non-compatible processes that are inefficient and independent. This current system results in redundant manual input, which causes excessive, repetitive tasks of handling data, increasing the risk of human error. The new process will utilize technology to provide access to the intake personnel (admission officers), patient care areas (doctors, nurses, social workers, therapists, dietitians), and business (banking, billing Medicare and Medicaid.) Value will also be given to risk management (safety) quality improvement, infection control, utilization review, laboratory/x-ray, pharmacy, laundry, transportation, transcription and coding. (See Estimated Cost Savings tables at the end of this section.)

An estimated cost reduction, based on thirteen (13) staff currently involved in the admission process, follows: (1 hour per admission multiplied by 3 admissions per week, multiplied by 52 weeks). The conservative savings estimate is $32,744.40. Additional cost savings of $23,56,3.60 (relating to equipment, supplies, and revenue) brings the estimated cost savings to $56,308.60. (See Estimated Cost Savings tables at the end of this section.) This estimated cost reduction does not address any other areas. It must also be noted that cost savings for all staff does not occur simultaneously. The diversity of tasks performed occurs throughout the admission process. With one staff person able to populate the identified databases, there will be staff timesaving throughout the facility. A major area of cost reduction will be in terms of creating, copying, mailing, faxing, filing and shredding hard copy of records. Electronic archiving capability will reduce supplies for filing hard copy and there will be a reduction of filing space.

Estimated Cost Savings

Number Effected	Position Classification	Hourly Wage	Applied Formula	Annual Salary Savings
5	Accounting Clerk 2	12.36	Wage x 3 Admits x 52 Weeks	$ 9640.80
1	Executive Officer 2	23.90	Wage x 3 Admits x 52 Weeks	$ 3728.40
1	Accounting Technician 3	15.94	Wage x 3 Admits x 52 Weeks	$ 2486.64
1	Accounting Clerk 3	13.47	Wage x 3 Admits x 52 Weeks	$ 2101.32
1	Income Maintenance Worker	18.16	Wage x 3 Admits x 52 Weeks	$ 2832.96
1	Contract Medicare	38.44	Wage x 3 Admits x 52 Weeks	$ 5996.64
1	Typist Advanced	11.27	Wage x 3 Admits x 52 Weeks	$ 1758.12
1	IT Support Worker 2	12.36	Wage x 3 Admits x 52 Weeks	$ 1928.16
1	Administrative Assistant 1	14.56	Wage x 3 Admits x 52 Weeks	$ 2271.36
Annual Total Wage Savings				$32744.40

Number	Item	Cost	Calculation	Annual Savings
1	Printer	30000.00	Leased over 3-year period	$10000.00
1	Maintenance Contract	3000.00	Annual Fee	$ 3000.00
120 Cases	Printer Paper	21.06	50% x 120 Cases x Cost	$ 1263.60
2 Days	Revenue	60.00	50% Annual Admits x 2 Days x $60.00	$ 9300.00
Annual Total Equipment/Supply/Revenue Savings				$23563.60

Total Estimated Cost Savings Resulting From RRR	$56,308.00

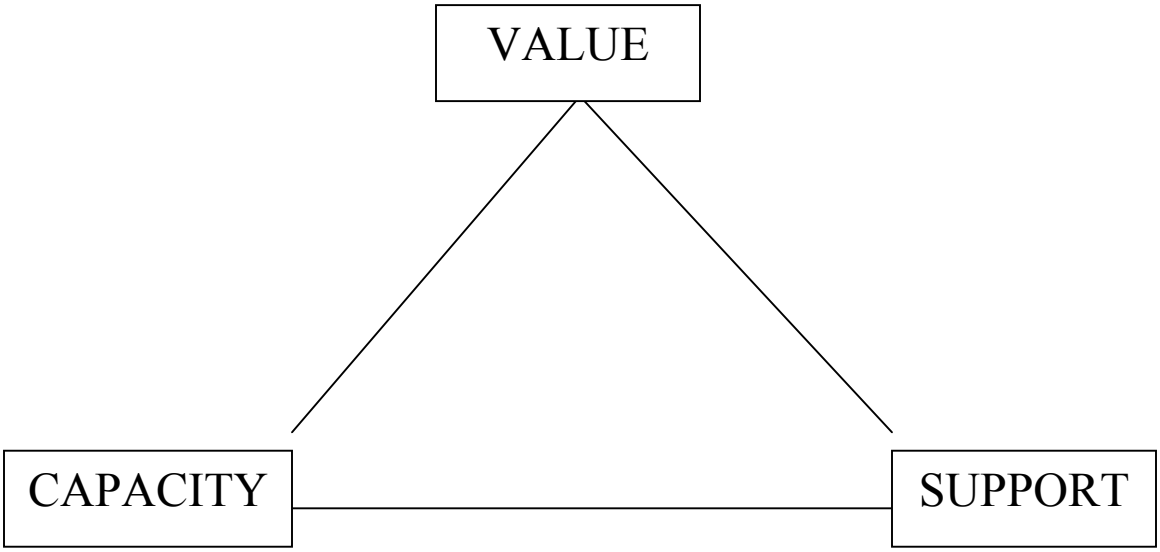
Time studies based on two staff currently involved in preparation for the admission and in conducting the admission, revealed that there could be a real time saving of 65 minutes for each admission. These estimates are conservative. In addition to the data input being

reduced to one person and populating identified data bases, the census report will be reconfigured to eliminate time consuming documentation by the Nursing Unit Coordinators, Nursing Officer of the Day and an Accounting Clerk 2. The calculations have not been adjusted to represent time-savings associated with error reduction as a result of duplicated input into the system and the time it takes to correct those mistakes. Types of errors with significant impact could include: 1) social security numbers, 2) various dates (i.e. birth, admission, marital, etc.), 3) financial entries, 4) code sets, 5) spelling, and 6) conflicting data. No current data is available to establish existing error rates. A review of the literature would provide some industry benchmarks. Internally, implementation of a process for tracking errors would create baseline information for a comparison.

Another added value of having readily available data is for special reports and statistical data to project trends, support appropriation requests, and compare practices for efficiencies and marketing strategies. With the tightening of the economy this immediate data will enable administration to satisfy the supply and demands more effectively and efficiently. This available data is also of great value when addressing issues from our oversight surveyors, auditors, peer review organizations, county/State health departments, State disease registries, state/Federal data collectors, and other areas to ensure the continuum of care for our resident/patients.

The initial workflow portion of the medical records project will remain within the infrastructure of the Iowa Veterans Home. The one time cost associated with the resident record redesign will be a business decision which will result in a return on investment. In January 2000, healthtrio.com published an article in which the costs of healthcare communications, administration and transactions were estimated to exceed $250 billion annually. The article quoted A.D. Little as stating that $100 billion of the total annual cost was directly related to inefficient communications or connectivity. To bring these figures into the context of the healthcare dollar, the article states that between 25 to 40 cents of every healthcare dollar is spent on excessive administrative costs or administrative errors. The Internet will be providing Web-based tools to support and improve the connectivity of the various aspects of healthcare. Administration, communications and transactions between healthcare professionals and organizations will be more efficient and streamlined. This project is the first step in removing infra-structural_obstacles to connectivity, which has been a major problem in attempts at linking widely disparate plans, providers and effected entities. The reduction of the current, cumbersome record keeping by incremental integration into the electronic record will be an essential step in good business practice. Quality of care will benefit as a result of shifting staff time from documentation and paper shuffling tasks to having more time for direct contact with the resident.

CAPACITY	plus	**SUPPORT**	equals	**VALUE**
program to do things		political resources received		created by capacity



The diagram above depicts our ultimate goal (VALUE) as the provision of quality care to residents/patients in a timely and efficient manner. Creating "one" electronic record is depicted in the CAPACITY aspect of the triangle. The CAPACITY is demonstrated by having all data concurrently entered and disseminated to all identified destinations. The SUPPORT aspect signifies the internal consensus and combined efforts of all effected staff to focus their efforts on accomplishing the goal. Some of the primary support will begin with the Information Technology staff and the admissions staff. In the long term, the support base will expand into consensus from political, legal and private entities involved in finances, veterans services, healthcare regulations etc.

OPTIONS

In considering the scope of this redesign project, various options were considered. Remaining status quo was not an option because of the obvious inefficiencies in the process. Considering the current economic environment within the state, there was every reason to believe that a redesign with a strong potential for cost savings would find support.

The quantum leap approach was not considered an option for a couple of reasons. (1) Financially, conditions of the state appropriations was demanding some immediate savings with minimum monetary input. (2) Policies and procedures at the facility level and rules and regulations at the county , state, and federal levels would need to be evaluated for potential revisions. By attempting a wide-scale change in the total records development process at IVH, widespread change in policies, procedures, state statutes and behavior would be required by every classification of IVH employee from the top down. Some of the benchmarked resources for projects of this type spent ten years from planning to implementation. This was not a practical consideration for IVH. A faster realization of the return on investment was needed to replace the archaic processes and provide an accountable source of additional cost savings.

The self-service option for the admission application was not considered due to the several IVH decisions, although fairly predictable and structured, were required at different stages of the admission process. We did not want to undertake the volume of red tape considerations and resources involved to make this option available.

The first option that was reasonable for project consideration seemed to be that of a large-scale redesign of the resident/patient record, incorporating medical records and financial records.

During the analyses of these options, a few data dissemination processes became glaring examples of inefficiency that were focused in one department, but affected several initial critical steps in development of the resident/patient data base throughout the facility. Thus an incremental step to replace archaic processes and impact the efficiency of that department was decided upon. By restructuring the data dissemination of the admissions process from a sequential group of activities, taking two to three days, into a concurrent process that will allow accurate data to flow simultaneously to twenty separate task areas within a 24-hour period.

ANALYSIS

Below is a scale which we established to evaluate our options. The five areas of impact to the project were rated on a scale from minus five to plus five, with zero representing the status quo. This legend describing the value assigned to each rating will clarify the reasoning used.

+5	Represents high gain; 90% elimination of errors; 65% reduction in time spent per admission; ideal situation.
+4	Represents 51-89% elimination of errors.
+3	Represents moderate gain; 45-50% elimination of errors; 30-35% reduction in time spent per admission.
+2	Represents 21-45% elimination of errors.
+1	Represent low gain; 10-20% elimination of errors; 10-20% elimination of errors.
0	Status Quo – no change to current procedures.
-1	Represents 10-20% increase in error; increase time loss for correction.
-2	Represents 21-45% increase in error; increase loss in corrections; more time to monitor and complete internal audits.
-3	Represents 46-50% increase in error; 30-35% increase time to complete admissions; auditor findings
-4	Represents 51-89% increase in error; auditor findings; potential for allegations of fraudulent practices.
-5	Unacceptable.

After applying the values from the scale to the present process, we rated the facility's status which is depicted in the following table.

OPTIONS/ IMPACTS	COST SAVINGS (Short-term)	EFFICIENCY/ ERROR REDUCTION	RESOURCES (Staff and time to plan)	CUSTOMER/ EMPLOYEE SATISFACTION	OVERALL VALUE
Do Nothing	-5 Wasted time, motion, and supplies and space.	-5 Process is duplicated, non-connected, prone to errors, and slow.	0 Go with the flow.	-5 Slow response, more to do, errors less staff, low morale.	-15 Not considered
Quantum Leap	-5 Initial transition costs would amortize over years after implementation; then be more cost effective. Long-term staff and supply savings.	+5 Facility-wide staff time reduced for documentation, transcription, prescription fulfillment, increased accuracy.	-5 Immense input from internal and external resources required, time requirements more than staff available to do.	+3 Initially high resistance to change, high learning curve during transition, long-term more productivity and higher morale. Client realizes higher quality of care.	-2
Self-Service	-5 Initial cost of marketing, transition costs, eventual Co. Commissioner salary savings to Counties	+5 Automated application decisions, teleconferencing, decreased admission interval, staff time saved.	-5 Huge amount of resources to get state statutes changed and market new process.	+5 Customer would not have to deal with middle-man's schedule, Admission decision within days or immediately. Less employee frustration and delays	0

Large Scale	-5 Same as for quantum leap option, cost savings reduced by half. Shorter interval before ROI.	+5 Increased clinical staff/ business office time saving, fewer errors.	-5 Still requires more staff time than is currently available	+5 Less resistance to change, some clinician experience in place. High privacy and confidentiality factor.	0
Incremental Step	+3 Smaller service area, less transition cost, short ROI, supplies reduced.	+5 Less input redundancy, fewer errors, staff time and motion saved, compatible and integrated systems which simultaneously provide data.	+2 Limited resources from within, and some external support.	+5 Less Employee frustration, higher morale, higher productivity. Little resistance to change, computer experience in place, less instruction, shorter learning curve. High privacy and confidentiality factor. Higher quality resident/ patient care.	+15 Committed to Project.

RECOMMENDATIONS

- **Initial phase of total project**
  The creation of one electronic resident record is more extensive than this project will allow; thus incremental implementation is necessary.

- **Minimal resistance**
  Education will be required to ensure buy-in on the part of the administration and involved staff.

- **Large economies of staff time**
  Actual savings might be minimal but soft labor costs will be a major factor in adding value to this project.

- **Decreased redundancy**
  Efficiencies will be realized because of the diminished redundant tasks that are currently performed.

- **Error Reduction**
  Concurrent population of the database for the dissemination of information reduces the probability of human error.

- **Enhance quality of care**
  Significant data is available in a more timely manner to facilitate care givers' ability to provide quality service.

- **Revenue enhancement**
  Immediate availability of documentation will provide the capability to maximize the potential for generating revenue.

- **Streamline collection of census data**
  Input from numerous sites throughout the agency will be collected and developed into a customized report for statistical purposes.

NEXT STEPS

Our next step in completion of this project is to work out an agreement with the Information Technology Department regarding appropriate application of technology, staffing considerations and exact time commitments. Below is a summary of a proposed timeline.

Critical Activities	Responsibilities	Time Lines
Census record		
Design census record	ITD	6/3/02
Create census record	ITD	6/17/02
Create queries	ITD	7/8/02
Document input process	ITD	7/8/02
Assign access for pilot	IVH IT	7/8/02
Designate pilot unit	Project Committee	7/8/02
Train pilot unit	ITD	7/22/02
Implement pilot	involved staff	7/22/02
Evaluate pilot	Project Committee involved staff ITD	8/5/02
Redesign record	ITD	8/19/02
Recreate record	ITD	9/4/02
Update documentation	ITD	9/4/02
Assign accesses	IVH IT	9/4/02
Train staff	ITD	9/23/02
Full implementation	involved staff	10/7/02
Financial Section		
Design financial section	ITD	7/29/02
Create financial section	ITD	8/12/02
Create queries	ITD	8/26/02
Document input process	ITD	8/26/02
Assign access	IVH IT	8/26/02
Train staff	ITD	9/11/02
Implement trial	involved staff	9/11/02
Evaluate trial	Project Committee involved staff ITD	10/14/02
Redesign financial section	ITD	10/28/02
Recreate financial section	ITD	11/12/02
Update documentation	ITD	11/12/02
Full implementation	involved staff	12/2/02

Medical Section

Design medical section	ITD	9/23/02
Create medical section	ITD	10/7/02
Create queries	ITD	10/21/02
Document input process	ITD	10/21/02
Assign access for pilot	IVH IT	10/21/02
Designate pilot unit	Project Committee	10/21/02
Train pilot unit	ITD	11/4/02
Implement pilot	involved staff	11/4/02
Evaluate pilot	Project Committee involved staff ITD	11/18/02
Redesign medical section	ITD	12/9/02
Recreate medical section	ITD	1/6/03
Update documentation	ITD	1/6/03
Assign accesses	IVH IT	1/6/03
Train staff	ITD	1/20/03
Full implementation	involved staff	1/20/03

Initiate electronic mailing of VADM report

Evaluate Direct Deposit from federal and state government and private pensions

CONCLUSION

In an effort to use technology to its full potential, provide service to our customer and work efficiently on our mission, this project is part of our continual attempt to update and reconfigure the electronic processes used to keep track of information regarding our residents/patients. This information exists in many separate systems, including some on paper, which will be more efficient when combined and streamlined. Instantaneous access to the resident information on a need-to-know basis would provide enormous efficiencies enabling better use of resources throughout the facility.

The process proposed by this project will assure that the appropriate information is readily available throughout the agency and for exchange with other outside associates. This will not only provide quality care for our resident/patients but also enhance revenue for the facility due to efficient and effective workflow for staff.

In accordance with the provision of the high level of care at the Iowa Veterans Home, the completion of this project and development of a central repository of all data is the beginning of the larger endeavor to include all outside agencies integrated into this single electronic record. Long-term care is a business that must compete for baseline costs while being challenged with creativity. With approximately 75% of the annual budget consumed in the cost of labor, and 25-40 cents of every healthcare dollar being spent on excessive administrative costs and errors, technology is providing alternative ways to accomplish efficient and accurate data dissemination at reduced cost.

The outcome of this project will be accomlished when the SUPPORT and CAPACITY combine to create the ultimate VALUE. Successful implementation of the project will depend on establishing a realistic time line which will see tangible cost savings and measurable improvement in quality of care. There will also be many intangible benefits related to the quality of care which could certainly be topics of further discussion and research.